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AUTHORIZING INVESTIGATION BY THE ATTORNEY GENERAL OF CERTAIN OFFENSES

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY UNITED STATES SENATE

EIGHTY-THIRD CONGRESS

SECOND SESSION

ON

S. 2308

A BILL TO AUTHORIZE AND DIRECT THE INVESTIGATION BY THE ATTORNEY GENERAL OF CERTAIN OFFENSES, AND FOR OTHER PURPOSES

JANUARY 28, AND MARCH 10, 1954

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AUTHORIZING INVESTIGATION BY THE ATTORNEY GENERAL OF CERTAIN OFFENSES

THURSDAY, JANUARY 28, 1954

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to call, at 10 a. m., room 424, Senate Office Building, Senator William Langer (chairman) presiding.

Present: Senators Langer (chairman) and McClellan.

Also present: Senator Williams and Thomas B. Collins, professional staff member.

The CHAIRMAN. The meeting will come to order.

Proceed, Mr. Collins.

Mr. COLLINS. Mr. Chairman, this is a hearing called on S. 2308, a bill introduced by Senator Williams which would authorize and direct the investigation by the Attorney General of certain offenses. In connection with this bill the chairman has appointed a subcommittee and the subcommittee has set this morning to take testimony on the bill.

Mr. CHAIRMAN. I offer a copy of the bill to be made a part of the record.

The CHAIRMAN. It will be made a part of the record.

(The bill referred to follows:)

[S. 2308, 83d Cong., 1st sess.]

A BILL To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 4047 of the Internal Revenue Code and the provision of section 3056 of title 18 of the United States Code, as amended, which authorizes the United States Secret Service to detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department, and notwithstanding any other provision of law, any information, allegation, or complaint received in any department or agency of the executive branch of the Government that any person has committed, or has attempted to commit, or has conspired with any other person to commit, concerning official matters administered by or under the control of any department or agency: bribery; fraud against the Government; the making of any false claim against the Government; theft, embezzlement, illegal possession, receiving, or destruction of Government property; impersonation of any Federal officer; or any other act which may constitute a violation of any provision of title 18 of the United States Code, notwithstanding that it may also constitute a violation of another provision of law, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law shall be expeditiously referred to the Attorney General by the head of the department or agency receiving such information, allegation, or complaint, and investigation with respect to any such information, allegation, or complaint shall be performed by the Attorney General, or by such other officer, or by such

department, agency, or employee, as he may authorize: *Provided*, That the several departments and agencies may conduct with respect to any such information, allegation, or complaint relating to an officer or employee thereof such investigation as may be appropriate to the determination of administrative action to be taken against such officer or employee: *And provided further*, That the Attorney General shall have primary jurisdiction to investigate any acts information concerning which is required to be referred to him under this statute, and no department or agency shall interfere with any such investigation.

Mr. COLLINS. In connection with S. 2308, during the last few days of the session in July the chairman had scheduled a hearing on the bill. That hearing, which was set for July 23, was postponed at the joint request of the Department of Justice and the Department of the Treasury. I would like to offer for the record the statement that was sent to Senator Langer at that time and which was jointly sponsored by those departments.

The CHAIRMAN. It will be included in the record.

(The statement referred to follows:)

In February discussions began between the Secretary of the Treasury and the Attorney General to make the necessary arrangements to effectuate the desire of both of them that, in any case where reasonable suspicion might develop that any Treasury employee was guilty of crimes such as receipt of a bribe, extortion, or conspiracy, the necessary criminal investigation would be made by the Federal Bureau of Investigation. The instructions required to accomplish this result have been agreed upon and are awaiting issuance by both Departments.

One of the questions discussed was whether legislation was required for this purpose and whether Public Law 79 passed by the 82d Congress relating to the jurisdiction of the Secret Service in any way interfered with its accomplishment. The Department of Justice is advised that the Treasury is agreeable to the repeal of the provisions of Public Law 79 in question as soon as arrangements can be made to reinsert in its appropriation acts the language customarily used in them before the passage of Public Law 79 to authorize the Secret Service to perform its traditional functions.

The Department of Justice prefers to have this entire problem disposed of by legislative action of the Congress and fully approves S. 2308 for that purpose. It is now willing to have any action on this bill held over by the Congress until its next session and to try, during the interval, by agreement with the Treasury Department to have a working understanding that will fully provide for the proper functioning of the FBI in investigating any case of suspected criminal misconduct on the part of Treasury personnel.

The Treasury Department believes that, within the broad agreement of principle that exists between the two Departments concerning the proper function of the FBI in investigating any such case of suspected criminal misconduct on the part of Treasury personnel, the exact details can best be worked out on a case-by-case basis, and that it might be unwise to attempt to define the relationships by statute.

Accordingly, the Department of Justice and the Treasury Department are placing in effect immediately a working agreement concerning this matter with the understanding that consideration will be given during the next session of the Congress as to whether and to what extent legislation may be necessary or desirable. The Treasury Department and the Department of Justice are therefore recommending the postponement of consideration of S. 2308 during this session of the Congress. The Department of Justice expressly reserves the position that legislative action as provided in this bill should be enacted by the next Congress.

Mr. COLLINS. Our first witness this morning is Senator Williams, of Delaware, sponsor of the bill.

The CHAIRMAN. Go ahead, Senator.

STATEMENT OF SENATOR JOHN WILLIAMS, STATE OF DELAWARE

Senator WILLIAMS. Thank you, Mr. Chairman. This bill was prepared by the Department of Justice and was introduced with their approval.

Its purpose was to specifically clear up the controversy which existed within the executive branch during the past administration whereby it was held that the Department of Justice did not have the authority to investigate any alleged irregularities on the part of employees in the Treasury Department.

Under the policy as adopted under the last administration when any alleged irregularity involving employees of the Treasury Department was called to the attention of the Department of Justice or the FBI, the only action they could take under the then existing policy was to refer the charges to the Treasury Department with the suggestion that they investigate themselves, and if they found their own employees guilty and if they wished them to be prosecuted, they could refer the investigation report and the charges to the Department of Justice.

However, if, as actually developed, the Treasury Department decided to ignore its own intelligence unit reports and merely allow their employees to resign for reasons of health, thereby whitewashing the case, the Department of Justice was helpless.

Judge McGranery, the former Attorney General, recognized this problem, and in conversations which I had with him during the latter part of 1952, expressed his approval of some such legislation as that now being introduced.

The history of this policy is that it was first established by administrative decisions around 1942. Then when the tax scandals began to break in 1951 and 1952 numerous charges were automatically called to the attention of the Department of Justice.

Then apparently to make sure that the policy would not be reversed and the Treasury Department investigated by the Justice Department, the record shows that the Secretary of the Treasury and the Commissioner of Internal Revenue joined in recommending the enactment of Public Law 79 of the 82d Congress, approved July 16, 1951. Under this law the Treasury Department, and the Treasury Department only, would have a right to investigate itself.

This proviso giving to the Treasury Department the sole investigative authority of itself was incorporated in an innocent-looking paragraph included in the bill which related many other subjects.

When the new administration took office I discussed this problem with representatives of the Department of Justice, and it was mutually agreed that affirmative legislation specifically spelling out the authority and the responsibility of the Department of Justice to investigate or prosecute alleged irregularities on the part of the employees in the Treasury Department as well as in other departments of the Government is essential.

It is not the purpose of this bill to set up the FBI as a super Gestapo over Government employees. It is intended merely to allow the Department of Justice when allegations are submitted to them regarding possible fraud or criminal actions on the part of employees in any Government agency to investigate such charges and, if necessary, to prosecute.

As explained before, first under a policy adopted by the past administration and later, in 1951, affirmed by legislation, the Department of Justice was powerless either to investigate or to prosecute alleged irregularities in the Treasury Department which were then being called to their attention.

It is intended that the various agencies would still be allowed to continue their own intelligence staffs for the purpose of maintaining a proper check upon their employees. Everybody recognizes the importance of each agency's trying to keep its own house in order. However, in such cases as when a dual investigation might be underway both by the agency and by the Department of Justice, then the Justice Department will have priority.

The CHAIRMAN. Thank you very much, Senator.

Senator WILLIAMS. I would like to just read in the record, Mr. Chairman, one letter which I received from the United States attorney in the southern district of Indiana, Mr. Marshall E. Hanley, which I think goes further to explain the necessity of this legislation than anything that I know of. I will read this letter. It is dated May 25, 1953. The letter, by the way, is in reference to the Lawrence P. Bardin case.

MY DEAR SENATOR: I am happy to advise you that the above-entitled subject was convicted on two counts of income-tax evasion for the year 1946 in the United States District Court for the Southern District of Indiana on Friday, May 22, 1953. The court imposed a sentence of 4 years on each count, said sentence to run concurrently.

I thought that you would be interested in learning of the successful outcome of this prosecution in view of the fact that your efforts had a great deal to do with that matter coming to our attention. In preparing this case for trial, I relief to a great extent upon the February 21, 1952, issue of the Congressional Record which sets forth your statement to the Senate concerning this case.

With kindest personal regards, I am,

Most sincerely yours,

MARSHALL E. HANLEY.

I would like to repeat this last sentence:

In preparing this case for trial, I relied to a great extent upon the February 21, 1952, issue of the Congressional Record which sets forth your statement to the Senate concerning this case.

Now, my statement as of that date was taken in its entirety from the files of the Treasury Department and from files which had been in their possession for many months and files which should have been turned over to the Department of Justice. It seems highly irregular procedure for a United States attorney in the field to be able to get information from the Treasury Department only in that manner.

There is one other example I would like to cite as the need of it and that was the case involving the collector in St. Louis, with which I am sure you are familiar.

The CHAIRMAN. Finnegan?

Senator WILLIAMS. Mr. Finnegan. He has since been convicted by the courts, but that case in St. Louis was first reported to J. Edgar Hoover in April 1950, in which the memorandum outlined substantially the major part of the allegations against Mr. Finnegan upon which he was subsequently indicted. Under the law as it was then being interpreted, Mr. Hoover could not go into this and investigate this case. All he could do was turn it over to the Treasury Department.

The Treasury Department assigned their special agents of the Intelligence Unit to investigate these allegations which had been turned over to them by the FBI by Mr. Hoover, and as a result of that investigation there were three reports filed.

One of those reports was dated June 19, 1950, and that report was signed by Gordon L. Coy and George W. Franklin, two Treasury agents.

The second report was filed July 12, 1950, signed by H. E. Holt and Thomas E. Scanlon, and the third report and final report was filed on February 19, 1951, and that was signed by Frank W. Lohn and Rudolph H. Hartmann; all of them were Treasury agents.

The interesting part about it is that those three reports were all filed in the Treasury Department prior to the date on which the first grand jury was convened in St. Louis, which grand jury had been convened for the sole purpose of investigating alleged irregularities on the part of Mr. Finnegan in the St. Louis office, the grand jury was called by Federal Judge Moore. That grand jury from March 1 to March 14 which was in session brought back a verdict completely clearing the collector of any charges and as you know he was later allowed to resign in good standing. It has been definitely established, I think, and not disputed, that at that grand jury none of the allegations as contained in these three reports was ever presented to any member of that first grand jury.

The Department of Justice in a letter later emphatically denied that any of the information had ever been turned over to them. Interesting enough, the Federal judge in that area, Mr. Moore, in requesting the assistance from the Department of Justice to assist the United States attorney in that area to prosecute the case also made the same request from the Secretary of the Treasury, Mr. Snyder, and Mr. Snyder sent two men from Washington down to cooperate with the United States attorney.

One of those men who was assigned to help with the prosecution of that case in St. Louis was one of the men whose name is on this report and still nothing was told to the grand jury nor was any of the evidence presented to them. It was only after I made the statement in the Senate on May 7, 1951, that we were ever able to relay the evidence as contained in the Treasury Department's files over to the United States attorney where he could bring prosecution, and the purpose of this bill is to prevent a repetition of any such situations as we had during the past 2 years. It is not for the purpose, as I stated before, of setting up the FBI or the Department of Justice as any super Gestapo over the Treasury Department. It is not for the purpose of casting any reflection upon the present administration in the Treasury Department or the present Attorney General.

They have worked out an agreement which the chief counsel of the committee has just put in the record, which agreement, if we can spell it out affirmatively in the law I think would do the job, but the only disadvantage of not taking the action on affirmative legislation is that in the future some Secretary of the Treasury can reverse that agreement and stop it, and I think that legislation is recognized as necessary by all of the departments concerned.

There may be a slight question—I understand there is—on the part perhaps of the representative of the Treasury Department this morn-

ing that the language of the bill may go just a little bit too far and restrict some of their operations to an extent which was not intended, and I might say in the beginning that I am not partial as to the exact language of this amendment.

The purpose of it we want definitely established and if there should be in the wisdom of the committee certain corrections to be made that could be worked out in conjunction with the departments concerned. I am perfectly willing to go along with that as long as we attain the major objectives.

The CHAIRMAN. Thank you, Senator. Mr. Olney, may we have your views on this proposed legislation.

STATEMENT OF HON. WARREN OLNEY III, ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION, DEPARTMENT OF JUSTICE

Mr. OLNEY. Yes, Mr. Chairman.

Senator Williams has very ably expressed the view of the Department of Justice and I believe the point of view, too, of the present administration in the Treasury on this matter. I think we are agreed that generally speaking when there are possibly charges of bribery or serious derelictions of duty in any agency it is well if the investigation is conducted by outsiders.

Furthermore, the responsibilities of the Attorney General for the enforcement of the law do require that he have the means for exercising his responsibility and that when some condition arises that appears to make it necessary for him to investigate in another agency that he have the authority to do it without any interference.

One of the things that is difficult about this problem is that we are always talking about it in the abstract. These cases that Senator Williams has referred to are good examples of what has taken place before. However, this problem is current all the time.

I have a matter here which I think is worth bringing to the committee's attention, simply because it shows that right now this problem still arises. I have here a letter. I will not put the names into the record of the people referred to because it is a matter which is under active investigation, but I think that the general tenor of the thing can be put on this record to make the situation clear and do no harm.

This is a letter which is an anonymous letter which was received in one of the offices of the FBI and it is evidently written by somebody in the Bureau of Internal Revenue. It starts off in this fashion:

> As I am an employee of the Bureau of Internal Revenue and since the information contained in this letter was obtained in the course of my employment, I must remain anonymous. While I recognize that anonymity weakens the force of my complaint, for me to sign this letter would probably cause me to lose my job. The reason for writing this letter is that a situation exists in the local office of the Bureau which I feel must be stopped.
>
> It should be axiomatic that in the administration of the tax laws all taxpayers should be treated alike. Whenever a taxpayer is able to obtain a more favorable settlement of his tax liability than other similar taxpayers the question arises as to whether that settlement was induced by bribery or through personal friendship with some Bureau employee. There have been numerous cases in this division where the settlement obtained by certain taxpayers has been most favorable for the taxpayer and in conflict with the law and regulations as applied to other taxpayers.

In the past under the previous Democratic administration I have attempted to place information regarding some of these settlements in the hands which would bring about an investigation and put a stop to this practice. No action, however, was taken. It is my hope that by placing the information in your hands sufficient pressure can be brought on those responsible to obtain action. The matter is now urgent as a group of cases is now in the process of settlement in which the taxpayers are receiving special treatment. These are the cases:

and then he goes on and names the cases and the name that he is using is the name of a notorious criminal and hoodlum, one of Senator Kefauver's objects of attention.

He says:

As you undoubtedly know, an investigation of these cases was started about 7 years ago. The active investigation of these complete cases was completed over 2 years ago. The investigation had developed certain facts and raised certain issues which if resolved in favor of the Government would produce additional taxes from the group in excess of $500,000. The time since completion of the examination has been spent in affording the taxpayer's representatives—

whom he names—

the opportunity to present additional facts or arguments which might affect the tax liability. While these cases are still technically in the hands of the examining agents pending their determination of tax liability, this period has been marked by the fact that a certain person in the Bureau of Internal Revenue—

whom he names—

has injected himself into the picture—

and he described this man as a former internal-revenue agent in charge under the reorganization last fall of the district commission. Then he says under current reorganization he is to assume still a different position. He points out that—

while it is unusual for anyone in that position to take a personal interest in the details of the initial determination of tax liability made by examining agents, he has seen fit to do so in these cases. At his direction substantial concessions have already been made in the taxpayer's favor amounting to several hundred thousands of dollars and in his new position he would be in a uniquely strong position to direct further concessions leading to ultimate settlement of the cases.

It should be obvious that it will be difficult for the examining agents dependent for their advancement on the ratings given them by their superiors to oppose that superior when he proposes settlement of these cases. Of particular concern is the fact that, if these cases are settled administratively in this manner, no information concerning either the amount of the tax deficiencies or the issues leading to those deficiencies will become public. This information will be locked in the confidential files of the Bureau and can come under public scrutiny only through congressional investigation.

Then he goes on and says:

By way of illustration of the fact that the settlement contemplated is inconsistent with the laws applied to other taxpayers, I refer you to the issue decided by the Tax Court in the case of Charlie's Cafe Exceptional, Inc., several years ago. In that case the Tax Court would not permit the corporation which operated the business and which was owned by nominal stockholders to deduct as rent amounts of profit which were paid to Charles Saunders in that case. These amounts were held to be taxable first to the corporation and then again to the individual when he received them. The same issues existed in the "blank cases" that he is talking about.

It was through this means that they siphoned off the profits of the business ventures in which they were interested and which were ostensibly owned by others. A strict application of the principles established by the Charlie's Cafe case would produce very substantial deficiencies in these cases. In the Saunders case the Government would make no concession, although the result worked an obvious hardship. In these cases it appears that substantial concessions on the issue will be made.

Then there are other examples which are named in there. Then right at the end it says:

> The cases which I have cited are only a partial list of those in which this particular person has intervened for the benefit of the taxpayer.

He ends up by saying:

> It should be noted that an investigation might find the revenue agents were reluctant witnesses at first since the exposure would be personally embarrassing. However, I know that enough of the agents have been personally opposed to this practice, as I am, and would like to see it stopped. Careful and proper line of interrogation by those with the power to conduct such an investigation should develop the facts.

That is the kind of thing which can happen. Although that letter is anonymous and it is no more than charges—no one knows whether it has any merit to it or not—it seems on its face to be written by somebody who knows what he is talking about. Of course, if what is said in that letter is true, the matter would be serious, but it certainly illustrates the difficulty that is encountered, when the Attorney General, who has the ultimate responsibility for enforcing laws against bribery, corruption, and things of that sort, has no way of finding out what the facts are.

That letter was received, as I say, by one of the offices of the FBI and under the present procedure and in the absence of this statute all that could be done was done and on January 21 of 1954 a copy of that letter was forwarded to the Internal Revenue Service for their attention and then a copy was also sent to the Criminal Division.

This does not reflect at all on anyone connected with the present administration, but under the past practice there has been not even a report submitted over at the Justice Department as to the result of information of this kind which was forwarded over.

When charges of this character are made we think that an investigation should be made and if the Attorney General thinks that the circumstances require it he should have the priority in making an inquiry.

Now, in the proposed bill there is no suggestion whatever that the Treasury Department be foreclosed from making an inquiry into a matter of this kind. Clearly they should. They have administrative duties to carry out. It is their function to see that there are no distinctions made between taxpayers, as this letter intimates is being done. There is nothing in the proposed bill which would prevent that at all. All that the bill does is to make it clear that the FBI, if it is to have the responsibility for the general investigation of bribery and corruption and things of that sort, clearly have the authority to interview witnesses and conduct their investigation on their own responsibility and own judgment even when it involves some other agency.

There is not any idea of making different the relationship of the FBI or the Department of Justice and the Treasury, making it different from the Department's relation to other agencies. We were discussing this type of problem with the postal inspectors yesterday. They often have cases that involve embezzlement of Government funds by postal employees and things of that sort. It has always been traditional that they handle investigations of that kind themselves. No one has any intention of changing that, but it is a matter of degree. If they were to encounter a situation where there were charges of bribery or of mishandling of business that went very high up in their organization, as they themselves expressed it, just for their own protection

they would come to the Department of Justice and consult with the Department and undoubtedly request that an investigation of that kind be conducted on the outside. We have no thought here that under this statute every little dereliction of duty by a Treasury employee would be investigated by the FBI. I think that the occasions when anything different from what has been done in the past would be required under this statute are very few, but they coexist and they are important and this letter which I have read is an illustration of what we think is the kind of case which does occasionally rise. I say "case." I do not mean to imply by that I think there is truth in this statement—I do not know; but it is the kind of charge which should be investigated from the outside.

The CHAIRMAN. Mr. Olney, are there any other departments that you cannot investigate besides the Treasury under the present law?

Mr. OLNEY. No, sir.

The CHAIRMAN. In other words, this would include all of them?

Mr. OLNEY. At the present time.

Mr. CHAIRMAN. Senator Williams bill would include them all? Is that right?

Mr. OLNEY. That is correct.

Senator WILLIAMS. As the law is now being interpreted—I think I am correct—there is no difference of opinion as to the authority of the FBI with the other agencies. What this bill is trying to correct is, first, an administrative policy which was set up in 1942 and a policy which was later spelled out affirmatively in a law in 1951. What we are trying to do is to go back and reestablish the relationships between the Treasury Department as they existed before this new policy was set up, and as they existed before then, and today in the other agencies.

The CHAIRMAN. My question went further. I wanted to know if this includes the Department of Interior and every other department?

Senator WILLIAMS. They have it already.

The CHAIRMAN. This would take in every one of these departments?

Senator WILLIAMS. That is right.

The CHAIRMAN. Mr. Olney, can you go back and take up cases that have happened years ago, 2 years, 3 years? Would this measure go back.

Mr. OLNEY. I would think undoubtedly it would.

The CHAIRMAN. I would want to to be certain of that. I think you should have that authority. Do you agree with me, Senator?

Senator MCCLELLAN. Yes. May I inquire, does the Treasury Department oppose this bill?

The CHAIRMAN. They are here. They will testify.

Mr. OLNEY. Not in principle. I am sure of that.

Mr. ROSE. I think we are in agreement with the objectives.

The CHAIRMAN. In any event, the Attorney General's office endorses the passage of this measure.

Mr. OLNEY. Yes, we do. Senator, I might say after this bill was proposed last summer and during the fall we have had many conferences with the Treasury about it and we found that our thinking was alike and indeed we succeeded in drafting a working arrangement and agreement between the two Departments which was consented to by the Treasury and the FBI both.

It was impossible to put it into effect, however, because when the question of the cost of such investigations came up the FBI pointed

out that they had made no provision for investigations of this sort in their budget and they requested that some arrangement be made to reimburse them since the Treasury presumably had made such provision.

Senator McCLELLAN. I understand as of now if you have information that a crime has been or is being committed in connection with the Revenue Bureau or the Treasury Department you cannot investigate it? You have no facilities or staff or no authority to go in there and investigate it with the FBI?

Mr. OLNEY. That is correct, and that is because of Public Law 79, and this bill would replace that. That is not true with other agencies of the Government.

Senator McCLELLAN. I mean as of now. Suppose a letter was signed like that pointing out that a crime had been or was being committed in connection with the income-tax laws or revenue laws; as of now, you could not have the FBI go out and investigate that with the view of ascertaining whether the facts warranted a prosecution?

Mr. OLNEY. That is right.

Senator McCLELLAN. You cannot do it now, but you can do that as to any other agency of the Government other than the Treasury Department; is that correct?

Mr. OLNEY. That is correct.

Senator McCLELLAN. What you want to do in this bill is simply enlarge your powers so as to include the Treasury Department?

Mr. OLNEY. That is right.

Senator McCLELLAN. Then you want money to carry it out.

Mr. OLNEY. Yes.

The CHAIRMAN. We will hear from Mr. Rose, an Assistant Secretary of the Treasury.

Mr. COLLINS. May I just ask Mr. Olney a question?

The CHAIRMAN. Yes; go ahead.

Mr. COLLINS. Speaking of Public Law 79 of the 82d Congress, that was an act which clarified Secret Service powers, and the pertinent language as adopted by the Congress is this:

> Detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department.

That language is directed, as Senator Williams pointed out in his testimony, mainly at setting out the basic authority of the Secret Service. Do we gather from that that the Secret Service is the investigating agency within the Treasury Department that does all of its investigations?

Mr. OLNEY. Of course, Mr. Rose can answer that better than I, Mr. Collins, but on that thing I am not surprised that you raise some question that we put that meaning on Public Law 79. If Mr. Rose and I were in a position to interpret that thing fresh I doubt if we would come to the same conclusion, but both Departments are faced with the fact that there has been a practical interpretation of that statute which has been taken by our predecessors in both Departments, as a result of which they have always taken it to mean that the investigative jurisdiction of the Treasury on matters of this sort was exclusive. I know that Mr. Rose and I both have wondered about the same thing that you are raising, as to whether that law was really intended to go that far.

However, that is the way it has been interpreted, both by the FBI and by the Treasury ever since it was enacted.

Mr. COLLINS. One other thought, Mr. Olney, and when we get to Secretary Rose we can refer to that question again. Senator Williams' bill would grant priority to the Attorney Generel to conduct investigations in all agencies of the Government and would spell out that the Attorney General and the investigating body, the FBI, would have priority. Assuming that this bill were enacted, how would that affect the Department of Justice itself, assuming that there were found to be some irregularities in the Department of Justice itself? Would you interpret that the FBI or some one within the Department would investigate its own employees and itself?

Mr. OLNEY. If you are talking about violations such as corruption and things of that kind, that is the only agency under the present law that could. This bill would not affect that one way or the other.

The CHAIRMAN. We will hear from Mr. Rose, Assistant Secretary of the Treasury.

STATEMENT OF HON. H. CHAPMAN ROSE, ASSISTANT SECRETARY OF THE TREASURY

Mr. ROSE. Senator, I want first to concur in the statement that I do not think there is a bit of disagreement as to the objective here. We have had many discussions with the Department of Justice and I have discussed this with Senator Williams . I think we are all seeking the same objective. To indicate that I would like, if I may, to refer back to the statement which Mr. Collins offered for the record, which was read into the Congessional Record last summer by Senator Williams, a joint statement between our two Departments, the first paragraph of which reads this way:

> In February discussions began between the Secretary of the Treasury and the Attorney General to make the necessary arrangements to effectuate the desire of both of them that in any case where reasonable suspicion might develop that any Treasury employee was guilty of crimes such as receipt of a bribe, extortion, or conspiracy, the necessary criminal investigation would be made by the Federal Bureau of Investigation.
>
> Instructions required to accomplish this result have been agreed upon and are awaiting issuance by both Departments.

Then the statement goes on to go into more detail about that, but that is I think the common and very firm objective of both of us.

As Mr. Olney pointed out, the reason why that has not gone into effect is because of the fact that the FBI felt that it wasn't financed to take on that additional burden out of its then current appropriation, and that provision would have to be made in a future appropriation act for more money to finance it.

The suggestion was made that we start out our relationship on a reimbursable basis, on some setup to be agreed on. We felt that that was not appropriate for this reason: That as a matter of principle we felt the arrangement was an exercise of the FBI's jurisdiction, the same with respect to us as with respect to any other department, and that it would be unsound as a matter of principle to make it subject to reimbursement by us when that was not trne in any other situation and might be regarded as making their authority to come in more contingent than it would be if it were clearly an exercise of their jurisdiction with respect to us just as with respect to everyone else.

However, we still feel and are simply awaiting the appropriate financing to put that arrangement into effect so that as to the Treasury, as to everybody else, the FBI in these cases of suspected bribery, suspected corruption, or conspiracy on the part of our employees, and so forth, would be in the same position that they are in with respect to the employees of any other agency, to come in without our consent just as an exercise of their jurisdiction, their statutory authority, to investigate that type of crime.

Therefore, I think there is not any disagreement as to the objective in that respect. We do not want to be in any different position with respect to the FBI than any other agency of Government is in.

We do have, on the question of mechanics and method, some reservations with respect to this bill and I would like to, apart from drafting suggestions, point out the ones that seem to us to have some substance.

The approach of this bill is to say that notwithstanding any other provision of law, and it cites certain of them, including Public Law 79 under its code section No. 3056, or any other provision of law, any information, allegation, or complaint received in any department that any person has committed or has conspired with any other person to commit bribery, fraud against the Government, the making of any false claim against the Government, and various other specified crimes, or any other act which may constitute a violation of any provision of title 18, which is the general criminal provision of the statute, notwithstanding that it may also constitute a violation of any other provision of law, subject to this proviso, "unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law" shall be expeditiously referred to the Attorney General and he shall investigate; and then it goes on to provide that he may in effect redelegate the power to investigate to any other agency if he so elects.

The effect of that is to say that as to any of the specified crimes, which include all title 18 crimes, the matter must be referred to the Attorney General, unless the authority to investigate is specifically assigned to another investigative agency, to be investigated by the Attorney General unless he redelegates his authority to investigate to another department.

I think that the Department of Justice agrees with us that the broad language of that provision sweeps into the jurisdiction—the exclusive jurisdiction—of the Department of Justice, subject to redelegation, a number of things which there isn't any intention on their part of actually taking over the investigative jurisdiction of. I might illustrate that by this: I think that there is even some doubt as to whether or not that isn't so broad a case of tax fraud by a taxpayer which doesn't in any way involve an employee of the Government or the Bureau of Internal Revenue, but simply a straight case of fraud by a taxpayer, might be assigned by this to the Department of Justice, because, strangely enough, there isn't anything very specific in the Internal Revenue Code designating the Bureau of Internal Revenue as the investigative agency with respect to tax fraud by a taxpayer, without regard to any allegation of conspiracy, or bribery, or wrongdoing on the part of an employee. That is one illustration which could probably be cleared up by some language changes here, but there are a number of others.

A preliminary look at the statute developed a long list of sections of title 18 which are normally used by various investigative agencies which do not involve any question of bribery, or corruption, or what we are primarily talking about.

For instance, there is a series of sections, 541 to 552, that are some basic statutes regarding various customs offenses by members of the public, smuggling and that sort of thing, which don't relate to this question of bribery or corruption by Government employees. There is another section, the general forgery section, which is used by the Bureau of Narcotics as a standard matter in prosecuting people who obtain narcotics, on forged prescriptions.

That section would be carried into this exclusive jurisdiction of the Department of Justice. There are a number of others. We have not as yet completed an exhaustive survey of that, but I think we are in agreement that the sweep of this bill would carry into the Department of Justice a number of things, not relating in any way to these questions of bribery or misconduct by Government employees, as to which the Department of Justice has no intention of disturbing the pattern that has existed for a number of years. That is our first and primary problem with respect to this bill.

It actually has been the subject of the rather protracted discussions we have been having with the Department of Justice to see whether there was any way of clarifying this language so it would take in only the things which should be taken in and would exclude things not intended to be covered by it.

We have had some difficulty in doing that and haven't as yet reached a satisfactory agreement on that score.

The Department of Justice has suggested that that matter could perhaps be cured by the further provision of the bill which permits in effect redelegation by the Attorney General to other departments, so that if too much is covered in here, then it could be reassigned to the departments which now exercise that jurisdiction.

I might say there I don't think we are talking only about questions relating to the Treasury in that respect because in the last few days it has been indicated that there are similar questions with respect to the Post Office and there might be similar questions with respect to others.

I am highly doubtful whether the ability of the Attorney General to redelegate under this provision of the bill sufficiently cures the problem that I raise for the reason that I think we run into the same difficulty when we try to draw a redelegation that we have run into when we try to redraft a bill to assign functions in the way in which it is intended that they be exercised. The difficulty basically is that there are some statutes—the forgery section is a case in point—which can be used in connection with various subject matters.

It might be used in connection with customs violations, a narcotics violation, and various others. It is the objective or the subject matter of the investigation, rather than the section of the statute, which would determine whether the proper investigative agency was the Treasury, or the Post Office, or the FBI.

I further have personally this reservation. I am perfectly convinced that the FBI or the Department of Justice should have the clear statutory right to come, without anyone's consent, into any

department, including the Treasury, to investigate cases of wrongdoing or allegations of wrongdoing on the part of Treasury employees; I am also perfectly convinced that that ought to be the standard working procedure; in other words that they should be the agency that regularly does that because I think there are serious disadvantages in having our own employees investigate ourselves. But I am quite convinced that, with the responsibility the Secretary of the Treasury has for administering this vast operation, he should have as an emergency matter and as a residual jurisdiction, and not as a result of delegation from any one or subject to anyone's consent, but as a direct right in him, the right to make such investigations of his own shop as he might deem necessary in an emergency and as an exceptional matter, not subject to anyone's consent.

In saying this I want to echo what Mr. Olney said; that this is not in the least an expression of any distrust or lack of confidence in anyone else. Quite the reverse. We have the fullest confidence in our ability to work out arrangements with and to live satisfactorily with the present leadership of the Department of Justice and of the FBI.

On the other hand, a statute is for a long term, and for the long term, just as a matter of good government, I have a very considerable personal feeling that there ought to be that residual and unquestionable jurisdiction, not subject to consent, in the head of a department to make such investigation in an emergency as he might deem necessary.

The CHAIRMAN. Even if we passed the bill in the present form he would still have that power. This does not take away that power from the Treasury.

Mr. ROSE. I believe it qualifies it, sir. In effect it does, sir, except for the possibility of redelegation by the Attorney General.

The CHAIRMAN. I would like to have the interpretation of the Attorney General on that.

Mr. OLNEY. I do not believe that it takes away from the Treasury that jurisdiction. It expressly provides in here:

Provided, That the several Departments and agencies may conduct with respect to any information, allegation, or complaint relating to an officer or employee thereof such investigation as may be appropriate to the determination of administrative action to be taken against such officer or employee.

It seems to me that that is broad enough to include the kind of investigation that Mr. Rose is referring to. The thing that this act does do, though—I do not believe that it takes away the Treasury jurisdiction to investigate that thing—is give the Department of Justice priority as far as investigations are concerned.

Senator MCCLELLAN. Will you explain what you mean by priority. When you assume jurisdiction of a case then the Treasury Department's authority would cease and you would have complete jurisdiction.

Mr. OLNEY. No, sir; it is not a matter of their seizing. I do not know whether this analogy is really helpful or not, but it does seem to me there is some resemblance between this situation and the police system of a railroad, for example. The railroad's maintain their railroad police, which is an agency primarily concerned with the administration of the railroad, but they also do a great deal of law-enforcement work necessarily. They investigate or inquire into at least

at the outset losses of property, and crimes committed against the railroad, and so forth.

However, they have a relationship with the regular law enforcement agencies and when a crime is committed that requires investigation or prosecution under the general laws, such as theft and all the other crimes that might happen, there is a priority in the public authorities to investigate and prosecute. It does not exclude or make impossible to the railroad police agencies investigations that are appropriate under the circumstances of the given case for them.

The difference of responsibility does require that the general authority, the public authorities, not be interfered with in interviewing witnesses and preparing a case and so forth. Maybe it is some relationship similar to that.

Senator McClellan. There is a little line of demarcation there.

The Treasury Department has the responsibility to investigate anything within the purview of its jurisdiction to determine that the affairs of the Department are being conducted according to law and without violation of the law. They have and should retain it completely. When a crime comes to your attention, or an alleged crime, you should have complete jurisdiction to make investigations from the standpoint of that charge, but the primary jurisdiction of policing itself, its own department, for efficiency and economy and to detect crime if crime is being committed in the administration of the revenue laws, that should be their primary responsibility insofar as the housekeeping esentials of the agency are concerned, but when you have reasonable ground in the Department of Justice that a crime is being committed you should have in my opinion the authority to step in as in any other agency and thoroughly investigate it and meet your responsibility. I do not see how they are going to conflict much.

Mr. Olney. I quite agree with you, Senator. I think you have put the situation very clearly.

Senator McClellan. I do not see the necessity for redelegating back powers. You just do not take them away. They have that complete responsibility and they should have it. Every agency should have the responsibility and the authority, whatever is necessary, to keep its housekeeping situation in order. When it comes to a crime, when it has to be a prosecution or the possibility of a prosecution, you should have jurisdiction to go in there and make a thorough investigation and determine where your responsibilities are. I do not see how they conflict.

Mr. Olney. Senator, we had no thought at all of thinking that their proposed bill would take away that residual authority.

Senator McClellan. Mr. Rose seems to think it would. Language can be written in this bill so as not to take it away in the first place and this idea of redelegating I do not like. I do not think it is necessary.

Mr. Olney. Let me explain what our thinking is on that redelegation. It is not that we think it applies to the things that we have been discussing here, but there are many cases of bribery and corruption in these other agencies which we think as a practical matter in many cases would be much better handled by the agencies themselves than they would by the FBI.

A good example of that I think are thefts of Government checks from the mail by postal employees, or embezzlements perhaps in the Postal Department, and things of that kind. It does not make sense to have the FBI investigating those cases. We would never want to do it, but it is impossible to draw the line in a statute and say that because it is this kind of activity or something of that sort, it should not be done.

There might be embezzlements in the Post Office Department or other acts of misconduct under such circumstances that they should be investigated by an outside agency.

It is to get around that difficulty that we think a practical way—we are not wedded to this thing necessarily—of meeting it would be to recognize that the Attorney General does have a primary responsibility for the enforcement of the laws as to bribery and corruption, so there would be no question in an important case when an issue comes up as to his authority, but all of these matters would be turned back to the agencies that handled them.

Senator McClellan. Do you not now if you discover or detect a crime being committed in the postal service have the jurisdiction to step in and investigate it?

Mr. Olney. We think we do. We do not do it——

Senator McClellan. You do not have to do it here except in extreme cases, but you would be given the authority to do it. That is all you need and you folks ought to get together and avoid conflict and overlapping.

Senator Williams. Mr. Chairman, I might interject. That is what I said in the beginning, that as to the exact language of the bill I was not becoming involved in that, but we agree on the major objectives of it and I think there is no question but what the committee can write the proper language in the bill to achieve those objectives.

The Chairman. Mr. Rose?

Mr. Rose. May I interject two suggestions here, if I may, that I would like to get under consideration.

The first relates to Public Law 79. My investigation of this would seem to me to indicate this: That the only thing which distinguishes in any way the authority of the FBI to investigate the personnel of the Treasury from its authority to investigate the personnel of any other agency is Public Law 79. We in the Treasury do not feel, that is, we who have come in since January 20, that Public Law 79 is in fact a bar to FBI jurisdiction.

Mr. Olney and I have discussed this in the past and I agree with him that if we had both approached this as an original matter I think we would not feel that it had that effect, and I would like this to go into a moment of history to indicate why I feel that way.

Let me go to Public Law 79. There are 4 sections of it, the first 3 of which have no relationship to this problem because they simply redefine the crimes relating to falsification, mutilation and so on of coins, imitating obligations or securities of the United States, and making or possessing likenesses of coins. They just redefine those crimes, so that those three sections do not bear on this.

The fourth section defines the powers of the Secret Service and I would like to read it if I may at this point because I think it will clarify the discussion.

Subject to the direction of the Secretary of the Treasury, the United States Secret Service of the Treasury Department is authorized to protect the person of the President of the United States and members of his family, the President-elect, and the Vice President at his request; detect and arrest any person committing any offense against the laws of the United States relating to coins, obligations, and securities of the United States and of foreign governments; detect and arrest any person violating any of the provisions of sections 508 and 509 of this title and, insofar as the Federal Deposit Insurance Corporation, Federal land banks, joint-stock land banks and national farm loan associations are concerned.

They are all banking violations.

Detect—

and this is the language that has been relied on as creating the problem—

detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department.

It is that one clause which has been pointed to as creating a problem of jurisdiction. The rest of the section is:

Execute warrants issued under the authority of the United States; carry firearms; offer and pay rewards for services or information looking toward the apprehension of criminals; and perform such other functions and duties as are authorized by law.

That one clause—

detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department—

corresponded to a section that had been for a number of years in the appropriation act of the Secret Service in slightly different language. I have it here somewhere.

Detect and arrest any person committing any other offense against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control.

That sentence has been in the appropriations act for a number of years. The bill that the Treasury Department offered back in 1951, which became Public Law 79, had originally the appropriation language identically, but some question was raised by the Justice Department as to whether putting that in substantive law as distinguished from the appropriations act created a change in the investigatory jurisdiction and in the process of that discussion the language was changed.

I agree with Mr. Olney that as an original matter I have felt that that did not constitute any change in the jurisdiction of the Secret Service, and, as a matter of fact, as a practical matter the Secret Service has never had anything to do with any Internal Revenue Bureau investigations. It simply fulfilled the traditional function relating to the protection of the President and so on.

Nevertheless, I do agree with Mr. Olney and with Senator Williams that there has been so much interpretation of that language as interfering with the FBI jurisdiction over that, to clarify the matter and make it entirely certain that the FBI has the same jurisdiction with respect to the Treasury that it has with respect to any other agency, that language ought to be taken out of Public Law 79. I am not at all clear that that would not be the most satisfactory

solution of the problem if it were coupled with appropriate legislative history which indicated that it was the congressional intention that the FBI should have the identical jurisdiction with respect to the Treasury that it has with respect to everything else.

The CHAIRMAN. Do you agree with that interpretation that that should be taken out?

Mr. OLNEY. Yes.

The CHAIRMAN. That would be a simple way of handling it.

Senator WILLIAMS. Mr. Chairman, I would like to say one thing. I agree that the language never should have been interpreted and in checking the legislative history of Public Law 79, I have found nowhere where anyone speaking on behalf of that language or anywhere in the reports ever intended it should be interpreted as it was later interpreted by the departments.

I think that the interpretation was wrong and it should be repealed, but I do not think that that would exactly correct this situation in its entirety for this reason.

The CHAIRMAN. However, we could pass your bill and withdraw the other one, too. That would solve it; would it not?

Mr. COLLINS. That is not the Secretary's feeling, though, Mr. Chairman.

Senator WILLIAMS. I think Mr. Rose's feeling was that perhaps that would be adequate, just that simple repeal. It might be adequate with administration officers interpreting it as it now is, but there is one thing I would be fearful that it might do, and after speaking to Mr. Rose last night I checked into it a little further.

The particular case which I used as a reference this morning, the one involving the collector in St. Louis, that case and the situations surrounding that case which were used as an example, and which, I think we were agreed, is a typical example, where it was referred to the FBI they did not feel that they had the jurisdiction to investigate the allegations against Finnegan and they turned it over to the Treasury Department and they were suppressed.

The history of that case in its entirety as it appears in the record took place prior to the enactment of Public Law 79. My statement on Mr. Finnegan upon which he was indicted and the reports to which I referred were all dated prior to that particular time and the grand jury which cleared Mr. Finnegan, the first grand jury in St. Louis, was March 14, 1951. And it has been definitely established that the Treasury Department failed to turn over any of its information to the Department of Justice to assist them in presenting their case against Mr. Finnegan to the grand jury, which resulted in his acquittal.

Yet it is also established that one of the men whose name is on that report as having signed it and reviewed it here in Washington was assigned by the Secretary of the Treasury to go to St. Louis to cooperate with the United States attorney in that area in the presentation of the case, but yet they told him nothing about it.

Their decision that they had the right to withhold that evidence was based upon the previous administrative agreement or interpretation of some law which I do not even have any record of. We want to be very sure—I am not speaking of the language—that we go beyond just the repeal of the language in section 79, and whether it could be done in a legislative background to be adequate, or whether

it should be spelled out affirmatively, we cannot hinge such a decision on any other provision of any other law. I think we should have an agreement on that, because otherwise we would be back just to the situation where some future Secretary of the Treasury may interpret the law as it was interpreted prior to Public Law 79.

Senator McClellan. Let me ask you a question. Do you mean by that that what you want to do is prevent the Treasury Department from withholding from the Justice Department any information it may have that is pertinent to its inquiry into crime?

Senator Williams. Yes. And when it has been called to their attention, to report it to the Justice Department, because in that particular case I know it was referred to the Justice Department. It was referred first to J. Edgar Hoover and he referred it to the Treasury.

It was referred to the Justice Department later because I did it personally and the Justice Department disclaimed any knowledge of having information of a detrimental character to Mr. Finnegan. I referred it to the Secretary of the Treasury and they denied that they had any information in their files that they could turn over the Department of Justice.

It later developed that they did have such information. I think that the Department of Justice should have been empowered to check into that particular case to see whether or not the Treasury Department did have such information when the charges were made that they did.

Senator McClellan. In other words, the Justice Department in that case was hampered in the performance of its duties by reason of the failure of disclosure on the part of the Treasury Department of pertinent information that it had relating to that crime.

Senator Williams. Yes. Just one more example of how it works now, and as I say again this is no reflection on the present administration. This case which I am going to describe was handled exactly as it could be handled under this law if it is enacted and as I think it should have been handled, but it happened just a few months ago. There was a certain former Treasury employee—you are familiar with the case I know—that I received these allegations about and in making the check I reached the point where I felt that they were reasonably accurate. I contacted the former employee involved. He came down to the office here in Washington and after a conference with him apparently he decided that the information against him was such that there was no use to dispute it further.

He just threw in the sponge and was willing to give a statement outlining his part in the crime, in the conspiracy, and so forth, and in the various acceptance of bribes. Having no official status myself, I called the girl in and took the testimony while the man was ready to talk. It did not mean anything under the law. I recognized that. I called the Department of Justice and described the situation to them and told them the man was here in Washington and was willing to sign a statement confessing his part in the conspiracy.

The Department of Justice before they could take this testimony and confession of the individual involved, as the law is now being interpreted, felt it necessary to call the Treasury Department and get their permission. The permission was readily granted and there was no delay nor any feeling on the part of the Treasury toward that. I want that clear. However, the fact that they felt that it was necessary

seemed strange. Suppose the Treasury Department said, "No, do not take it." That is the purpose of what we want here, to fix it so that the Department of Justice can, when they have information which they think is sufficient, move into these cases where employees are involved and investigate them.

Senator McClellan. Can you do that now in all other agencies of Government?

Mr. Olney. Yes, Senator.

Senator McClellan. All you want to do is correct that and make it apply to the Treasury Department as well.

Senator Williams. That is correct; and I do not want in any manner to disrupt or stop the rights of the Treasury Department as Mr. Rose speaks of—and I do not think the Department of Justice does—of their right and their responsibility to go on and do these things themselves. Yet at the same time I think there does come a time when the Department of Justice does have to take priority in particular cases when you get to a certain place.

We want to set it up so that we do not handicap the Treasury Department. We must always recognize, which we hope never will happen, but at some time in the future it conceivably would be possible when the situation unpleasantly would develop in the Department of Justice rather than the Treasury Department, so we do not want to say that a certain department is the holy agency and put all the power in there.

I think there should be some responsibility in the Treasury Department and I am perfectly willing to leave them ample authority.

Mr. Collins. In that connection, Senator Williams, I think your bill would take care of a purpose and Mr. Olney gave a primary example of it, where there was anonymous information received by the Department of Justice. Yet the Department was unable to go ahead and carry out an investigation.

Senator Williams. That is correct. I think it is readily agreed between both the Treasury and the Justice Departments in the case which I just stated—and I might say that this individual was subsequently indicted and convicted—had the Treasury Department refused the Department of Justice the right to move in the case I do not think they ever could have moved in under the law, had they insisted on the case going back to them and had they insisted on taking and suppressing the testimony, which I do not think that you would have done, but as it was done on a couple of occasions before.

Senator McClellan. You mean as the law is now, with the interpretation placed on it, that could occur?

Senator Williams. It could have occurred. It did not occur and I do not think it would have occurred under the present setup and I hope it would never occur again, but that is the situation we want to correct.

Mr. Rose. We do not so interpret the law now, but we agree that there is enough question there so that there ought to be a correction of the situation.

Senator McClellan. It has been so interpreted in the past.

Mr. Rose. Certain people have so interpreted it and to an extent that I think we all agree that the atmosphere ought to be clarified so that there is not any question as to us—as to everyone else—that the Department of Justice (the FBI) does not require consent, but has its

own jurisdiction to move in whenever it has information that any of our employees are guilty of misconduct.

We can approach that in 1 of 2 ways. One is to go back and undo the thing that has been thought to produce a difference between us and others, or approach it affirmatively, as this bill does. The fear I have about this bill is that it is a very broad bill which cuts across existing patterns of law enforcement and makes a much wider change than is required to cure any defect in the situation, I think, on which we are all agreed.

Senator McClellan. Do not you think that your Department or your staff and the Justice Department can take this bill and work out a language that will do what you both agree and should be done, and it will go no further? Could you not do that?

The Chairman. Senator, I think we can do it here. It seems very simple.

Senator McClellan. To me it does not seem too complicated.

The Chairman. We will just repeeal those few words in there in that public law.

Mr. Rose. We do have reservations of a serious nature as to the effect of this bill. We have none whatever as to the repeal of the language in Public Law 79. I would like to add this, too.

Of course, S. 2308 is not limited in its applicability to the Treasury Department. It is governmentwide. In the last few days the discussion on it has indicated that other agencies may believe that they are affected by it. The Post Office, for instance, has entered the discussions which we have had with the officials of the Department of Justice, and as a result of that the people at Justice and ours thought that we ought to consult the Bureau of the Budget legislative people to see whether other agencies have been consulted or might be interested.

The Chairman. How long has it been pending, for months and months and months and months; is that right, Senator Williams?

Senator Williams. Since July 1953.

The Chairman. I do not see any reason to have any more delay in the matter.

Mr. Collins. They had 6 months during the recess, Mr. Chairman.

The Chairman. Six months. I would like to hear from Mr. Stephens, from the Post Office Department. If I had known you were over there I would have invited you up here earlier. Could you hear over there?

STATEMENT OF HON. DAVE H. STEPHENS, CHIEF, POSTAL INSPECTION SERVICE, POST OFFICE DEPARTMENT

Mr. Stephens. Yes, I could hear over there. Thank you very much.

Mr. Chairman and members of the committee, the bill that you have before you, we understand, is intended to repeal certain parts of, I believe, Public Law 79. To that extent, if that is the purpose, we certainly have no objections whatsoever.

We do feel somewhat inclined, and considerably so to infer from what Mr. Rose has said, that this bill probably goes far beyond that, to include many of the violations over which we believe we have a responsibility to enforce under title 18. I have heard the discussion

here. I have been very interested in it, but we think that this is capable of being rewritten.

We do not believe it is the intent to in any way restrict us, but it possibly could have the effect of that, except by delegation.

Mr. COLLINS. Mr. Stephens, is there not satisfactory language in the bill now on page 2, line 13, which would take care of the Postal Inspection Service and any related activities of the Post Office Department?

There is an exception:

Unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law.

Mr. STEPHENS. We have discussed that, too. We feel that the Postmaster General is obligated to enforce offenses against the postal establishment. We believe traditionally and by statute, by the language of appropriation acts and perhaps statute, that we have that responsibility, but again we believe that there is some question as to the interpretation of that authority.

Mr. COLLINS. If that were clarified would the Post Office Department support the objectives of this bill?

Mr. STEPHENS. The objectives of the bill as we understand them we certainly have no objection to, to investigate bribery and corruption in high places, certainly no objection whatsoever, we are only concerned with what I explained, that perhaps with the broad interpretation that is possible, all violations under title 18 are under the direct control of the Attorney General except for such delegation as may be made.

Mr. COLLINS. Could you give us any examples?

Mr. STEPHENS. It might have a seriously retarding effect upon the discharge of the Postmaster General's responsibility. That is our concern.

Mr. COLLINS. Could you give the committee any examples of how this would affect you?

Mr. STEPHENS. I think so. For instance, thefts of mail by employees or by persons outside of the postal service.

The CHAIRMAN. How does that do it? Suppose you go ahead. There is a theft and you do not do anything about it. The complaint comes into the Attorney General and he investigates it. How does that take away any of your jurisdiction?

Mr. STEPHENS. Well, not all. Of course, we feel he has that authority now. We have so operated in the past, but we read in this the possibility and we mention it here for your consideration, that this might restrict us from action on that until such complaints as we have had have been referred to the Attorney General and then redelegated to us.

The CHAIRMAN. Nothing in the bill which says that.

Mr. COLLINS. Absolutely not. It is already covered in the bill right here.

Senator MCCLELLAN. How does this bill take away from any department, your Department or the Treasury Department, any authority it has now to make a thorough and complete investigation of its own and take the same action it would take under existing law under such circumstances.

Senator WILLIAMS. It could be spelled out in the committee report that it was not so intended.

Senator McClellan. I am trying to find out that if this bill is passed, will each Department continue to function just as it has in the past without any interference, but the authority is there for the Department of Justice to step in in any complaint it has and do its duty.

Mr. Stephens. We are all in agreement on that, but the only question is the language of this bill as now written.

Mr. Collins. Has the Post Office Department given any thought to any language which might be incorporated in here?

Mr. Stephens. Frankly we have not been asked for a report on this and I may say that my statements here have not been cleared with the Bureau of the Budget, but we have in the past couple of days with the Attorney General's office and the Treasury Department talked over generally the features that have been raised here this morning.

Mr. Collins. As the chairman pointed out, this bill has been under your consideration by your Department and Treasury and Justice since last July?

Mr. Stephens. I understand that. We have not been asked for a report on it. We did collaborate on it within the past few days with Justice.

Mr. Collins. It just seems to me that there is no investigative authority taken away from the Post Office Department. It merely provides that the Attorney General and the FBI have priority in certain instances and then you have the protection of the clause—

unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law.

If you have in some appropriation act or in some legislation relating to the Post Office Department language where you are specifically authorized to investigate certain things, you are taken care of in this language.

Mr. Stephens. As I say, that is a matter this should be carefully studied so that it is understood here, and by the language and by any statute of the past, that there is that authority, because the Postmaster General has the responsibility to enforce laws against the postal establishment.

I might say that we have always had the finest working relationships with other investigative agencies, and certainly with the Attorney General. We know and feel sure that the Attorney General and this committee has no intent to in any way restrict that, but we have a serious doubt as to the language of this act as to whether or not it does not curb and restrict us from the discharge of those responsibilities until they have been referred, complaints and evidence, and there has then been a delegation of authority to so act. That is our question.

The Chairman. Thank you very, very much, Mr. Stephens. I am certainly glad to have seen you.

Mr. Collins. I think Secretary Rose had another comment.

Mr. Rose. Senator McClellan asked whether the effect of this bill was to assign to the Attorney General investigative authority which now is in the Department of the Treasury or the Post Office Department. I would just like to point to the language of the bill. I think it does that.

Senator McClellan. I mean assign to it exclusively, to the exclusion of the Treasury Department.

Mr. Rose. Yes; that is what I understood.

Reading from line 1 of page 2:

Any information, allegation, or complaint received in any department or agency * * * that any person has committed—

any of the offenses listed, which includes any title 18 offense, then dropping to line 16:

shall be expeditionsly referred to the Attorney General by the head of the department or agency receiving such information * * * and investigation with respect to any such information, allegation, or complaint shall be performed by the Attorney General, or by such other officer, or by such department, agency, or employee, as he may authorize—

subject to 2 exceptions; 1, beginning on line 13—

unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law—

and the second, beginning on line 22 on the same page:

Provided, That the several departments and agencies may conduct with respect to any such information, allegation, or complaint relating to an officer or employee thereof such investigation as may be appropriate to the determination of administrative action to be taken against such officer or employee.

Senator McCLELLAN. Does not that protect you?

Mr. ROSE. I do not believe it does, sir, in two respects. First, as to many of these sections that are involved, there is either doubt whether there is a specific assignment or no assignment at all so that the "unless" clause, the "unless otherwise specifically assigned," does not apply. They are simply, historically, sections that have been used by the Treasury investigative agencies. There is even doubt, as I indicated, whether the investigation of tax frauds by taxpayers is sufficiently specifically assigned to the Bureau of Internal Revenue so that those cases would not go to the Department of Justice under this broad language. So the "unless" clause is not, I think, an adequate carving out of the general sweep of the bill.

Secondly, the only other exception is the proviso that we may investigate only for the purpose of administrative action, not in cases where the offense is obviously leading to a criminal prosecution.

Senator McCLELLAN. Would you not take administrative action in a case that was leading to prosecution?

Mr. ROSE. Yes.

Senator McCLELLAN. How does that conflict?

Mr. ROSE. You normally would, but also, the two investigations, the criminal and administrative, are normally identical. If you have a crime involved that is the normal thing; that is, a crime by an employee. We would want the Department of Justice to investigate, but this bill applies to any of these offenses listed by any person, not any employee.

Any of these title 18 crimes listed here include many, as I say, that have just been traditionally investigated by the Treasury in the narcotics jurisdiction, in the counterfeiting jurisdiction, and customs jurisdiction, by any person, not just employees, and we are deprived of jurisdiction unless redelegated to us.

Mr. COLLINS. It seems to me that the least you have is concurrent jurisdiction, just from the language here.

Mr. ROSE. If that were made entirely clear, that the jurisdiction was entirely concurrent in all those cases, I think that would be all right.

Mr. COLLINS. Only in those cases where you feel that the Depart-

ment of Justice should have jurisdiction properly, because it is the prosecuting arm of the Government and should take over anyway.

Mr. Rose. As I say, I think there should be at least a residual jurisdiction in the head of the department responsible for its administration, without anyone's concurrence and not by reason of any delegation, to investigate crimes in his own establishment.

Senator McClellan. What I want the bill to do is to permit you to continue to operate just as you have, except I want the Department of Justice to be able to walk in there and investigate crime.

Mr. Rose. I agree with that entirely.

Senator McClellan. With your complete cooperation. That is all I want and I do not see how anyone can object to that.

The Chairman. We will go into executive session. Senator Williams, will you stay here?

(Whereupon, at 11:30 a. m., Thursday, January 28, 1954, the committee proceeded to executive session.)

AUTHORIZING INVESTIGATION BY THE ATTORNEY GENERAL OF CERTAIN OFFENSES

WEDNESDAY, MARCH 10, 1954

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to call, at 10 a. m., in room 424, Senate Office Building, Senator William Langer (chairman) presiding.

Present: Senator Langer, chairman.

Present also: Senator Williams and Thomas B. Collins, professional staff member.

The CHAIRMAN. The meeting will come to order.

Mr. COLLINS. Mr. Chairman, this is a supplemental hearing to the hearing that was held by the subcommittee on January 28 on a bill introduced by Senator Williams, S. 2308, to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

The CHAIRMAN. Has Senator Williams been notified to be here this morning?

Mr. COLLINS. Yes, sir. May I state for the record, Senator, that Senator Williams called and said that he had another appointment that he could not break. He will be here as soon as possible.

His testimony and personal feelings about the bill are already in the record.

Senator Dirksen wanted to be here this morning but he had to take over a Subcommittee on Appropriations meeting and could not be present.

Senator McClellan has advised us that he is unable to be here.

We have as witnesses this morning, J. Lee Rankin, Assistant Attorney General, Department of Justice; Mr. Abe Goff, Solicitor of the Post Office Department; Mr. Dave Stephens, Chief of the Postal Inspection Service of the Post Office Department; and Mr. Rose, Assistant Secretary of the Treasury.

I wonder if we could hear from Mr. Rankin as to his thoughts on this bill and his reactions to the proposed language that I sent down to the Department for consideration.

STATEMENT OF HON. J. LEE RANKIN, ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF JUSTICE

Mr. RANKIN. Mr. Chairman, I am pleased to appear today before this subcommittee to urge favorable action on the bill S. 2308, 83d Congress, introduced by the senior Senator from Delaware, Senator Williams, on behalf of himself and 20 other Senators.

The bill would require the prompt referral by the agencies of the executive branch to the Attorney General of information coming to their attention relating to any activities which may constitute a violation of title 18 of the United States Code, investigative jurisdiction as to which has not been specifically assigned to some other agency.

Enactment of the bill into law would effectively eliminate the situation which has existed for many years whereby the Treasury Department has been in a position to exclude the FBI from investigating complaints of bribery, fraud, and similar offenses by Treasury Department officers and employees, on the claim, for which there presently exists certain statutory basis, that the Treasury Department has jurisdiction over such investigations.

In this connection I may state plainly and emphatically that the files of the Department of Justice indicate that until 1951, when the FBI abandoned all attempts to perform such investigations, the Treasury Department on numbers of occasions refused to permit the FBI to interview Treasury Department personnel and denied to the FBI information from records in the Treasury Department not required to be kept confidential by any statute during attempted investigations by the FBI into allegations of bribery, fraud, and similar offenses by Treasury Department officers or employees against the integrity of the United States Treasury Department. Such situations could never again arise after enactment of this bill into law.

I may state that it is the position of the Federal Bureau of Investigation, in which the Department of Justice fully concurs, that jurisdiction within the executive branch to perform investigations concerning possible bribery, fraud, or similar violations of Federal law involving officers and employees of the United States, in whatever agency such officers or employees may be employed, should be vested in a single agency.

We suggest that the FBI is the appropriate agency to conduct such investigations.

We wish to emphasize that neither the FBI nor any other agency or person in the Department of Justice, in indicating approval of this bill, does so with any wish to expand the Department's jurisdiction to conduct investigations.

It is a fact, however, that if the Department is to carry out effectively its duty to prosecute cases of bribery, fraud, and similar offenses against the integrity of the Government it must have the clear authority to investigate such cases which would be given by this bill. Whether it should have such authority is for the decision of this subcommittee, and of the Congress.

This subcommittee is aware that last fall, immediately prior to hearings which had been scheduled on this bill, the Department of Justice joined with the Treasury Department in a request that consideration of the bill be deferred until this session of the Congress.

This was agreed to by the Department of Justice at the earnest request of the Treasury Department that there be further explored the possibility of settling by interdepartmental agreement differences which had given rise to the jurisdictional conflicts which this bill seeks to eliminate. At that time, however, the Department of Justice reserved the position that legislative action as provided in this bill should be taken.

Negotiations since had between the Treasury Department and the Department of Justice have resulted in the development of an agreement which points the way to resolving the jurisdictional problems involved.

However, the agreement has not been placed into operation to this time for the reason that the Treasury Department has failed to agree to reimburse the FBI for conducting investigations the responsibility for which it is proposed to transfer to the FBI by the agreement.

In view of the fact that performance of such investigations by the FBI will shift a heavy burden from Treasury agencies to the FBI which the Treasury agencies, and not the FBI, have been financed by appropriations to carry, it is the position of the Department of Justice that any agreement that the FBI is to conduct such investigations for the Treasury Department should provide for reimbursement to the FBI.

It is anticipated that if a transfer of the basic responsibility is made by the Congress, as though this legislation, appropriate reapportionment of funds in the pertinent appropriation acts could be expected.

I wish to point out that any agreement which might be entered into between the Justice and Treasury Departments could, in the absence of legislation, be unilaterally terminated or abrogated at any future time. In this connection I need not say that I have full confidence that no such termination or abrogation would occur during this administration.

Upon the enactment of this bill into law, an arrangement thereunder concerning investigative jurisdiction could not be ended or varied without the concurrence of the Attorney General.

I have heard a number of objections to the bill, and I wish to go into them somewhat.

It has been suggested that the provisions of this bill are too broad, and that the bill should be addressed to cover only information relating to crimes which are not traditionally within the investigative jurisdiction of agencies other than the Department of Justice.

It may be pointed out, however, that such a standard is so ambiguous as to be meaningless unless it is spelled out by specific reference to various situations under various statutes which are to be investigated by the various agencies, and this is quite an impossible task.

Moreover, any such general limitation would make the provisions of the bill meaningless as concerns resolution of the serious difficulties over investigative jurisdiction which have existed for many years. It is precisely in the area where the same acts may constitute both a violation of a provision of title 18 which is within the investigative jurisdiction of the FBI, and a violation of some other provisions of law (such as sec. 4047 of the Internal Revenue Code) which is within the investigative jurisdiction of an agency other than the Department of Justice, that these difficulties have occurred, and the bill properly is addressed to these situations.

It may be pointed out, also, that the bill will not affect situations where the acts as to which information is available are related to a violation of a provision of law—such as one contained solely in the Internal Revenue Code—which is not in title 18.

It will, with obvious design, affect situations where the acts may be related to a violation of both title 18 and some other provision of law—such as section 4047 of the Internal Revenue Code—for the specific purpose of fixing the primary investigative responsibility in such cases, which have been the troublesome cases, in the department, agency, officer, or employee designated by the Attorney General.

That will be the FBI in cases indicating graft or corruption on the part of any Government officer or employee, or violation of any of the other provisions of title 18 as to which general investigative jurisdiction traditionally has been in the FBI.

It will be the Treasury Department, the Post Office Department, or such other department or such agency as is appropriate in other types of cases which traditionally have been investigated by such other department or agency.

One of the specific objections to the broadness of this bill which has been heard is founded on the fact that certain provisions of title 18, such as those contained in chapter 27 (sec. 541 et seq.), and that set out as section 1115, relate to customs laws or similar matters that have traditionally been within the investigative jurisdiction of agencies other than the FBI, even though such agencies have not been designated by law to perform such investigations.

This situation can most easily be remedied by a formal assignment by the Attorney General, after enactment of the bill, of investigative jurisdiction over such statutes to the appropriate agency. Such an assignment would be made.

Another specific objection to the broadness of this bill cites the situation where a single act constitutes a violation of a provision of title 18 as well as of another provision of law it has been traditional for an agency other than the FBI to proceed with the investigation of the violation of the second law.

This is true, in certain instances, of the laws relating to possession and transportation of explosives which are administered by the Coast Guard. Except insofar as these second laws relate to the types of crimes which have generally been investigated by the FBI, the Department of Justice would preserve the existing investigative arrangements.

This is true, for another example, of investigations of violations of the Code of Military Justice. In that connection, incidentally, the Department would expect to carry on the present policy that wherever possible prosecutions—and investigation—of military personnel should be under civil authority rather than under the Code of Military Justice.

There has been suggested as another type of problem which would arise with the enactment of this bill the fact that immediate action, requiring certain immediate investigation, necessarily must be taken under some statutes such as section 1382 of title 18, United States Code. It is certainly the responsibility of all Government agencies to take the necessary action in such instances to prevent crime and to procure the apprehension of criminals, and clarification by and under this bill, of which agencies have primary investigative jurisdiction of the several provisions of title 18, does not affect this responsibility.

It has also been suggested that under this bill the Treasury Department would be precluded, in instances involving unlawful dealing in narcotics by individuals, of establishing the commission of a sec-

ondary crime, such as the filing of a forged doctor's prescription, where evidence of a violation of the law relating directly to narcotics is not available.

It is a fact, however, that such special classes of situations can be handled by administrative arrangement so that such secondary crimes could be investigated by the agency having jurisdiction over investigation of a related crime. Obviously, no statute could attempt to spell out all the various types of such situations which might arise.

All the objections and problems which I have mentioned, excepting that problem related to the Code of Military Justice, are raised by the Treasury Department.

Essentially similar problems have existed for many years and it is a fact that this bill would provide a means for the resolution of such problems administratively, including existing problems and any new ones it might incidentally raise. The means, of course, would be through an appropriate assignment of investigative jurisdiction by the Attorney General, the official who has the responsibility under the law for conducting the prosecutions in all cases.

It is clear that such problems can be resolved administratively. For example, the problems which have potentially existed in demarcation of investigative jurisdiction between the FBI and the Post Office Department have long been effectively submerged by an administrative arrangement.

I wish to emphasize that no change in investigative jurisdiction as it exists under this arrangement would be made by the Department of Justice if the instant bill is enacted into law.

I wish to point out, also, that in the absence of legislation such as this bill any such arrangement can be unilaterally terminated by the agency involved.

The Attorney General urges the enactment of this bill. The Federal Bureau of Investigation concurs in this request.

Mr. COLLINS. Mr. Chairman, I would like to check some things with Mr. Rankin.

After our hearing on January 28 the subcommittee instructed me to work the bill over and come up with some comments pursuant to the testimony adduced at the last hearing.

The CHAIRMAN. Why not take that up when we finish this testimony? Let us hear from all of the witnesses and then we will take that up because I want Mr. Rankin to make certain suggestions along the line that you mentioned.

Mr. Rose.

STATEMENT OF HON. H. CHAPMAN ROSE, ASSISTANT SECRETARY OF THE TREASURY, ACCOMPANIED BY JOHN K. CARLOCK, ASSISTANT GENERAL COUNSEL, TREASURY DEPARTMENT

Mr. ROSE. Senator, as you recall, I testified before on this matter. I will very briefly recapitulate the position that I then took.

In the first place, I want to make it entirely clear that the Treasury Department has not taken the position that it wishes to exclude the FBI from investigations of Treasury personnel accused of wrongdoing, corruption, bribery, and similar offenses.

As early as last February the Attorney General and the Secretary of the Treasury and others of us began discussions looking toward the

agreement that Mr. Rankin referred to in his testimony, which would make the FBI the regular agency to investigate wrongdoing in the Treasury Department.

In July or August, following the agreement between the Treasury Department and the Department of Justice to which Mr. Rankin referred, we prepared detailed instructions to our field agencies, to implement that arrangement whereby those cases would be referred to the FBI if the information came to us and whereby the FBI would be able to investigate them, if they were directly informed of them. Those instructions were submitted to the Department of Justice, and I believe are in satisfactory form, and the only reason, as Mr. Rankin pointed out, why that agreement has not been put into effect was because of the question that was then raised of reimbursement for the activities of the FBI in that connection.

Our feeling with respect to that question was this:

That the FBI in this connectoin would be exercising, with respect to the Treasury, the same jurisdiction that it has always exercised with respect to other agencies of the Government; that it is an inherent jurisdiction of the FBI, not handled on a reimbursable basis with respect to other agencies than the Treasury; that the Treasury should be on the same footing with respect to the FBI that everyone else is on; and that there were long-term disadvantages in getting onto a basis whereby their investigations of us would be reimbursable, or on any different basis than the FBI is on with respect to anyone else.

So I want to make it entirely clear that there is no resistance on our part to the principle that the FBI be the agency which investigates the cases of wrongdoing on the part of Treasury personnel.

The second point is what, if anything, is required to be done by statute in order to validate this proposed arrangement that has been discussed with Department of Justice?

We have felt in Treasury that the FBI has that jurisdiction now under present statutes; that the difficulty that has arisen was one primarily of lack of administrative agreement between the Treasury and the Department of Justice, and not a question of statute.

However, there has been enough discussion of the possible bearing on this subject of a statute which was passed in 1951, Public Law 79 of the 82d Congress, so as to make us feel that it is appropriate to repeal certain language in that Public Law 79 which has been construed by some people as detracting from the jurisdiction of the FBI or of the Department of Justice, so far as the Treasury was concerned.

While, antecedently, we would not have felt that Public Law 79 had that effect, there has been enough confusion about it so that we do feel that it is appropriate to repeal that language, which I pointed out before, and I will not go into the detail again.

The CHAIRMAN. I remember it very well.

Mr. ROSE. That repeal, accompanied by the legislative history, would make it entirely clear that it is the intention of the Congress, in which the Treasury concurs, that the Treasury stand in the same relationship to the Department of Justice and the FBI as all other agencies of Government.

As to S. 2308, which is the Williams bill before this committee now, we have two basic reservations, neither of them going to the question of the principle which I have just stated, that we want the FBI to be

the agency which investigates accusations of wrongdoing in the Treasury.

I think that Mr. Rankin and I are in basic agreement as to the initial effect of the bill. Our only disagreement is as to the practicability of handling the problems that the bill would create by administrative assignment after the bill was passed.

The first basic difficulty does not lie at all in the field of wrongdoing of Government personnel. It arises from the fact of the assignment of jurisdiction to the Department of Justice and to the FBI, and I emphasize that this is in fields not related to questions of wrongdoing by Government personnel but rather to violations of law by persons not in the Government, and law enforcement against the public generally.

In that field the bill is broad enough so that in its assignment of investigative jurisdiction to the Department of Justice of all crimes under title 18, exclusive jurisdiction in effect subject to redelegation by the Attorney General to the agency involved, it does assign to the Department of Justice exclusive jurisdiction over certain statutes in the customs field, in the narcotics field, and in certain other fields over offenses which have been traditionally and down through the years investigated by either the Bureau of Narcotics, the Customs Service, the Internal Revenue Service, or other services.

The question there is whether the disturbance of the traditional pattern is necessary, first, and we doubt that it is; and, secondly, whether it is possible by administrative reassignment to cure the disturbance of the traditional pattern which the bill would initially bring about.

We have spent a good deal of time, as Mr. Rankin said, in endeavoring to sort out these jurisdictions in the statute itself. We have not succeeded in that endeavor primarily, I think, for the reason that certain sections of title 18, which as you know is the general criminal code, are used for investigations in several different fields, and to assign them exclusively to any one agency takes them out of the field of the others; and it has been impossible to sort them out by section numbers so as to preserve the pattern of investigative jurisdiction which has existed and which probably, I think, has worked well in these various fields.

That is the first problem that we have with it.

The second problem that we have with it is in the field of what I could term wrongdoing or corruption.

There, I repeat, we have no reservation at all that the FBI should have direct jurisdiction, subject to no one's consent, to investigate such questions in the Department of the Treasury and in every other agency in the Government.

We do feel, however, that as a residual matter the head of each department is entitled also to a direct jurisdiction to investigate his own personnel; in other words, that the appropriate situation should be that there should be concurrent authority to do that, each not subject to the consent of the other.

I think that, for reasons which I spelled out in more detail in my previous testimony, the bill as drawn does interfere with that direct authority in the head of a department, and I think Mr. Rankin's feeling is that it does, but that the primary jurisdiction should be in the

Department of Justice subject to delegation to the heads of other departments where deemed appropriate.

Those are the two reservations that we have with respect to S. 2308. My fundamental position here, therefore, is that all that needs to be done from a statutory standpoint is the repeal of the language in Public Law 79 to which I referred earlier.

I want to congratulate the committee staff on having come up with a redraft of S. 2308 which is much closer to, in my view, a solution of the problems that the two agencies have wrestled with unsuccessfully.

I do not feel that the Treasury could have any reason to object to the redraft which has been prepared by the committee staff.

I do have the reservation that I mentioned with respect to S. 2308 as introduced. Thank you, sir.

The CHAIRMAN. Mr. Goff.

STATEMENT OF HON. ABE McGREGOR GOFF, SOLICITOR, POST OFFICE DEPARTMENT

Mr. GOFF. Mr. Chairman, I am here to represent the Post Office Department's position in regard to this bill.

I want to say, first, that I personally have the highest admiration for the Department of Justice and for the FBI.

I think they stretched themselves a little in the report they gave about me when I was recently made a member of the official family, and I really wondered that they were able to give the report what they did, knowing all of us have a few people, at least I thought, who have some objection to us.

So I am not here to attack the FBI—in fact, I express my personal admiration for that agency—but I do have a very definite objection, many objections, to this bill as drawn, and to the whole principle that it embodies.

I want to say, first, that our Inspection Service in the Post Office Department started back in 1777. I think it is the oldest investigative agency in Government. Maybe I am wrong. It has gone all these years and it has been engaged in investigating offenses particularly within the Post Office Department.

Now, this bill, as I see it, and even the redraft of the bill which has been referred to here, contains the language that the investigation will be by the FBI—

> unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law. * * *

Well, when I read that I looked over our statute about the Postal Inspection Service, and I did not find any statutory provisions about the field of the exact crimes that are to be investigated by the Postal Inspection Service.

I picked up the statute this morning and the only thing I could find about the Service that has gone on since 1777 is this statute:

> POST OFFICE INSPECTORS
>
> *Appointment.*—The Postmaster General may employ such number of post-office inspectors as the good of the Service and the safety of the mail may require, and the appointment of additional inspectors shall be made upon certification of the Civil Service Commission.

Now, that and a statute to authorize the searches of conveyances carrying mail are the only statutory authority that I know of for the Post Office Inspection Service.

Now, if we have such a provision there, it just means that this turns over to the FBI the entire direction and responsibility fundamentally for everything that takes place in the Postal Service.

I do not want to accuse the FBI of empire building, but it seems to me that they simply take over all the departments, and they take over all the investigation of all criminal offenses.

We would have no objection if there is some officer in the postal service that has been guilty of bribery, or fraud, or something like that. We would be perfectly willing that they should have concurrent jurisdiction, but when we have a postmaster out in some little town in North Dakota, or Idaho, or down in Louisiana, we think that the men traditionally charged with this are in the best position to investigate this, and we do not like this idea of some other agency saying, "We will take this class of cases and you are relegated to that class of cases."

Here is a broad authority and we think it is too broad an authority, and, frankly, I will say that we are unalterably opposed to this bill.

We cannot say that we believe that really the Department of Justice quite comprehended the scope that is embodied in this bill. I am certain that Senator Williams had no such idea, because, as I understand it according to the newspapers, it was a squabble with Treasury Department under a former administration.

Now, there has been no trouble with the postal service. We have had no quarrel with the FBI, and we do not believe that it is necessary to put this blanket authority over all the other Government agencies just because there has been this case of difficulty with one department.

Mr. Rose has spoken here, and I believe I understood him to say that if they would just strike out a few words in one of these sections here, that that would take care of the situation if it cannot be worked out administratively.

I feel that there are some limits to this business of vesting all the authority in a single agency.

I would say that, if this is turned over to the FBI are we going to turn over our postal inspection service to the FBI?

We have to have somebody right in our organization. I have to work with men who have to be in the same building when we are engaged in some of these matters in connection with the postal service.

I think that it is the hand of another agency in what we call the internal housekeeping of the Post Office Department.

We are perfectly willing to agree that in these matters of bribery and perhaps even fraud against the Government involving members of the Post Office family; that we might say that there could be a concurrent jurisdiction of the FBI because the thing that I understood they were trying to get were these grafts by individuals with relation to income tax.

But we certainly would vigorously object to the matter of embezzlement because that is what a lot of these smalltown postmasters do and what a lot of the big-town postmasters do is to embezzle money within their post office; that and the illegal possession or destruction of Government property.

Those are the commonest things on which our postal inspectors work.

I think that I will have to say on behalf of the Postal Department that we oppose this bill, that we are going to fight it, that we are going to fight it to the last ditch. We will go on the floor and fight it if it is necessary, and I am almost to the point of challenging the statement made that Mr. Brownell is in favor of a bill as broad as this.

I do not believe that if he understood its implications he would be in favor.

I want to say one thing more.

I am not here representing the Military Establishment. I notice that Mr. Rose is wearing a decoration and I assume that he was in the military service during the last war. I happened to be in the legal branch of the military service during the last war and I would take this bill to provide that these investigations, even in the military service, would be under the direction of the FBI.

I do not know how far that would go, but we used to have a pretty rocky time in some of these overseas commands. Are we going to have a civilian agency?

Under what status will they be in these military commands?

Is it going to be a kind of commissar program with some civilian agency out there in the field?

I would like to understand how this will work out. It is not that we think that in the present administration of the Post Office Department there would be such extremes gone to, but I do not think that we want to write into the basic law the provision that these different agencies have to look to and report to the FBI in the ordinary housekeeping crimes that take place, and we think that most of the difficulty here can be straightened out administratively without changing the law except for this one suggested amendment.

I am not quite sure yet whether Mr. Rose is in favor of that or not. As I understood it, it was to strike out—

> detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department.

I understand that the deletion of that clause which I have read would take care of the immediate situation.

I really cannot understand why the Department of Justice, if it is the Department of Justice that asks this, really wants the supremely broad unlimited authority that they have here, and it would mean in our Post Office Department that whenever we got a report of somebody that stole some postage down in Arkansas, we would have to make a report to the FBI.

We take care of that. On the other hand, it might mean that "we take all cases arising in post offices over 4,000 and you take the rest."

I think it is important that we have the inspection by people right in our own agency that know the problems of this particular Department. I have with me the Chief Inspector, Mr. Stephens, who has been in the service for a long while. I am a newcomer but I do bring to you the views of somebody who is not in the service, who is not steped in the tradition of the postal service. It is just that I took a look at the proposed statute and it seemed to me that it was highly unfair and would not work out, and that as a practical matter, it is going to promote considerable delays in the investigation of the crimes in the postal service.

With your permission, Mr. Chairman, I would like to refer the matter to Mr. Stephens, our Postal Inspector.

The CHAIRMAN. We will hear from Mr. Stephens.

STATEMENT OF HON. DAVE H. STEPHENS, CHIEF, POSTAL INSPECTION SERVICE, POST OFFICE DEPARTMENT

Mr. STEPHENS. Senator, I think Mr. Goff has very aptly described our position on this proposed legislation.

Certainly we do not dispute in any manner the authority and jurisdiction of the Attorney General in any Federal crime, but we do believe that this legislation here, however well intended, would impose some restrictions, that could very well hamper the very things that we are trying to improve, and that is law enforcement.

That is our one concern.

The CHAIRMAN. We will hear next from this gentleman who is here representing himself and not representing any department.

STATEMENT OF CHARLES KRESS, BINGHAMTON, N. Y.

The CHAIRMAN. Will you state your name and address, please?

Mr. KRESS. My name is Charles Kress. My address is 168 Court Street, Binghamton, N. Y.

I am a former mayor of Binghamton, N. Y. With respect to S. 2308, I would like to state as follows:

As qualification of my statements, I was formerly United States Treasury Department Enforcement Administrator for New York, a sheriff, a police commissioner, a mayor, World War II officer in charge of intelligence and investigations, United States Maritime Service, later attached to the Senate War Investigating Committee, later special consultant to the Kefauver Senate Crime Investigating Committee, last year a consultant, House Appropriations Committee investigating staff.

It is my understanding that the purpose and attempt of the author of this bill, expressed in simple words, was to obtain legislation so that if the Treasury Department did not do what it properly should do in corruption cases then the FBI could step in and act.

In my opinion if legislation in this direction is desired it could be accomplished by amending S. 2308 to simply state that notwithstanding any existing legislation apparently to the contrary the Department of Justice is authorized to act in any matter involving corruption in any agency of the Treasury Department.

This would give concurrent authority to both the Department of Justice and the Treasury Department but would neither handicap the Treasury Department or relieve it of any responsibility in such matter.

If enacted into law in its present wording in my opinion subject-named bill would prove cumbersome, confusing, and impractical in application. It could well have baneful effects contrary to the public interest among which might be:

1. The effect of relieving all Treasury Department officials of full responsibility in matters involving corruption except for reporting same to the Department of Justice.

2. By giving the Department of Justice exclusive jurisdiction in all the investigation of crimes involving employees misconduct, it takes away from any Treasury agency head the power he must always have in reserve to take whatever action is necessary to carry out his own administrative responsibility.

3. It apparently gives the Department of Justice exclusive jurisdiction to investigate a wide variety of crimes which do not involve employee misconduct but are the criminal sanctions necessary to other agencies' primary functions.

4. At some future time under the provisions of subject-named bill as it stands, a politically slick Attorney General could promptly delegate back to the Treasury Department investigation authority in each matter of corruption as it came up—thus, completely defeating the intent of the author of this bill.

5. It could have the power of destroying initiative and morale of Treasury field investigators in such work as obtaining evidence "buys" in narcotic and counterfeit investigations—in which type cases the agent always is chancing a "frameup."

6. The bill could deal a crippling blow to morale in regulatory agencies such as the Internal Revenue Service by making technical decisions subject to after-the-fact review by an outside police agency with absolute power. Initiative could wither and die in such an atmosphere and the responsibility for decisions avoided. A psychological barrier might be raised in the path of every investigator, knowing that his official actions could be criticized as interference, whereas inaction or "the lines of least resistance" would be a safer path.

7. Effects of the bill might even protect a criminal and prevent his apprehension because many possible criminal violations must be investigated immediately by the agent on the spot in order to prevent escape of the culprit or damage to Government property, and

8. Provisions of the bill authorizing the Treasury Department to retain powers of investigation solely for purposes of administrative action are cumbersome and impractical of operation, as no Treasury official could tell when an administrative investigation might develop into a criminal case—in which event, under provisions of subject-named bill, he would have to stop proceedings and notify the Department of Justice. This action and delay might possibly result in completely spoiling the whole case.

As a matter of sound Government procedure the integrity of any agency must be preserved from within. No outside agency can effectively assume that responsibility. No provision of law should tie the hands of present and future agency heads in such a way that they will not have the means necessary for managing their own households. No law should exist which by imputation questions by statute the integrity of the Secretary of the Treasury or in effect "indicts" all heads of Treasury agencies.

I do not think the country has come to a state when we cannot find a Secretary of the Treasury who can be trusted to see that the administration of his Department is honest. I know Arthur Summerfield, the Postmaster General, and I know Mr. Humphrey, the Secretary of the Treasury.

I know such men in the Treasury Department as Harry Anslinger, in charge of the Bureau of Narcotics, Dwight Avis and other Treas-

ury employees and I do not believe that in this whole United States there are any finer Americans or more honest public servants than men of that type.

I cannot believe that any of these men wants anything but honest and efficient and clean government.

Such provisions could well tend to cause lowering of morale and development of official inferiority complex. I do not feel that it is publicly sound or fair for Congress to assume that official integrity and wisdom reside only in a particular agency.

If only the Department of Justice can police the Government, who is going to police the Department of Justice?

We may not always have such a strong character for a head of the Department of Justice. We may not always have such a strong character as the chairman of our Senate Judiciary Committee, and I can see where a rascal might be Attorney General and could defeat all the purposes of this bill, and it has been submitted to that by passing an overall bill of great powers giving the Department of Justice supreme authority over all Government agencies and then ironing out these things by administrative proceedings, that the unilateral agreements could be voided and a rascal for Attorney General could stop that and have tremendous power over the agencies of Government.

If they could be corrected administratively after the passage of this bill, I see no reason why they could not be corrected before the passage of this bill.

I do not feel that good government requires depriving a Cabinet officer such as the Secretary of the Treasury of responsibility for administering many major agencies, and of the power necessary to fully fulfill his own responsibility.

I am puzzled by the wording of subject-named bill in giving to the Department of Justice a broader exclusive jurisdiction that it can, or wants, to exercise and then providing for the delegation of this jurisdiction back to "such department, agency, or employee" as the Attorney General may authorize.

Apparently, under this provision the Attorney General could authorize "an employee" of the Agriculture Department, Department of Defense or National Archives to investigate a matter in the Treasury Department. Clearly the author of this bill never had any such intention, in my opinion. The present wording of subject-named bill seems unwise to me because it sanctions a confusion of responsibility which could well provide the best possible "cover up" for corruption if time and change should bring evil men into positions of strategic importance in our Government.

In my opinion the FBI does now have full authority to go into any Treasury agency for the purpose of investigating corruption. I have read various items in the public press suggesting that the Department of Justice has been precluded from investigating in the Treasury by a law enacted in 1951.

Careful study of this law does not indicate that these suggestions are based on fact as this law was enacted only to state in substantive law authority the Secret Service has had for decades.

It is hard to escape the feeling that the suggestion this particular law prevents the FBI from investigating matters of corruption within

the Treasury Department serves only as a convenient scarecrow for diverting criticism and confusing the issue.

So far as I can ascertain the FBI has now and has always had authority to go into any agency to investigate corruption. It, of course, should continue to have that authority.

I am making this statement, based on my years of experience and familiarity with Federal law enforcement, because I believe it is my duty as an informed citizen to point out the dangers to the public interest which I see in legislation which follows this approach. In all sincerity I believe the possibility of harmful results to good government and the public interest by the present wording of subject-named bill are incalculable.

I want to make it clear that I am not opposed to the Department of Justice having full authority to investigate corruption in any branch of the Government, but for years I had charge of Federal prohibition enforcement when corruption was the custom. It was the rule and not the exception.

You would send an agent out on the job and you would send two more to watch him. Then you had to go and watch the three of them. This existed under the Treasury Department and some people thought they would get better administration under the Department of Justice. So they did that and under the Department of Justice it was worse than under the Treasury.

So they wiped the law off the books.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Now, gentlemen, we are going to write a law, and we are going to write it this morning. Mr. Collins, will you take the draft and take it up paragraph by paragraph?

Mr. COLLINS. I provided a copy of this draft to the offices of Mr. Goff, Mr. Rankin, and Secretary Rose, Senator.

With your approval, I would like to hear Mr. Rankin's reactions to the language.

The CHAIRMAN. Have you the bill the way it is introduced, as redrafted? Take it paragraph by paragraph.

Mr. COLLINS (reading):

> That notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code (including without limitation bribery or attempted bribery, extortion or conspiracy, embezzlement, fraud against the Government, or other crimes against the United States), involving Government officers and employees.

May we have Mr. Rankin's comment?

The CHAIRMAN. Now, Mr. Goff, what is the objection to paragraph 1?

Mr. GOFF. Well, Mr. Chairman, it starts out with—

> * * * notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government * * *.

I haven't too much objection to that, but I do not quite see where we need this preliminary statement. As I understand it, they just

want authority to investigate offenses committed under title 18, and I would suggest that the statement should be—

they shall have concurrent authority to investigate offenses under any violation of title 18, United States Code.

I want to study that first sentence a little bit more, because of the words—

without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them * * *

I do not know that we have too much in the way of statutory authority for the postal inspection service. What do you think, Mr. Stephens? I am not so sure what that means. I would like to ask Mr. Rankin what he thinks that first clause means.

Mr. RANKIN. We think that the effort is made in this draft of the committee to delegate the responsibility to the FBI on a concurrent basis, and we think that the Department of Justice is opposed to the idea of concurrent jurisdiction. It would much prefer that the Congress see fit to leave the entire investigation with the agency rather than to delegate concurrent jurisdiction to the FBI and the agency, because there is no better way to destroy effective administration of justice than to let an agency, where there is any corruption, have their own people work on a subject matter in regard to any criminal action before the FBI can get in there, and muddy the waters completely so as to spoil any chance of convicting anyone of the crime involved.

The hearings of the Senate and the House in former Congresses demonstrate that very clearly. You have merely to examine those to see the situation, and how skillfully that can be done.

The Attorney General does not want any more responsibility than he has, but Congress has seen fit over a great many years to delegate to him the responsibility to prosecute all of those crimes that they are talking about, and, if he has the job of prosecuting them, then he has to be in a position where he can step in against the resistance that has been demonstrated in certain areas of the Government, to find out what the facts are.

You cannot prosecute a crime properly unless you know what the facts are, because there is a combination of the facts and the law that you have to have, and, unless he can step in there and investigate in such a manner that the investigative agency that is under the direction of certain officials who are trying to cover it up cannot have concurrent jurisdiction, and muddy the whole thing up and spoil the evidence, he has no opportunity to get the convictions that will clean it up. And the records of the hearings show that, if that could have been done time after time, we would not have had some of the things that have occurred.

That is the only reason that Senator Williams has proposed this action; it is to clean up this whole situation, and to make it clear that the FBI can step in and investigate, as everyone around this table has said, but they also can say to the other investigative people, "You stay out of this now. Don't spoil this thing until we can get these facts and know whether we can support a criminal action." That is the whole basis of the bill.

If you wanted to turn over to the Postmaster General the job of prosecuting these crimes, then he ought to have the job of investigating them, but I do not think—and I am sure that the chairman knows from his experience as a district attorney the problem you have if you cannot investigate as well as prosecute—and anybody that can get there first and have the chance to investigate can cover the ground so that any subsequent investigations have very little value. That is the only purpose of this bill.

The CHAIRMAN. What are your comments on this, Mr. Rose?

Mr. ROSE. I have no objection, sir, to the sentence which the clerk read.

The CHAIRMAN. You have no objection. We will take up the next sentence.

Mr. COLLINS (reading):

Any information, allegation, or complaint received in any department or agency of the executive branch of the Government relating to said violations involving Government officers and employees shall be expeditiously referred to the Attorney General by the head of such department or agency for investigation, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law, and unless the Attorney General otherwise directs with respect, as to any department or agency of the Government, to any specified class of information, allegation, or complaint.

The CHAIRMAN. Now, Mr. Goff, will you state your objections to any part of that wording?

Mr. GOFF. First, we object to the words—

* * * shall be expeditiously referred to the Attorney General by the head of such department or agency. * * *

That means that in every offense that is committed in the postal service, no matter what it is, the first thing that the agency has to do is to turn over a report of that to the FBI. I assume that according to this we could not move until the FBI gave us the signal to go ahead.

Now, I am just wondering if those words are going to accomplish what the FBI representative here has been talking about.

You know, if you are going to be crooked, you do not have to refer these things to the FBI. You do not have to mention them at all. If you have a bunch of crooks in the Department, it is not going to help the FBI to have a legal requirement that they refer them to the FBI because they simply will not be referred.

We think that the FBI already has authority to investigate offenses under title 18, and we object then to this business of having some superagency that we are going to have to report to, and I will express first my unqualified objection to any required referral.

Next I am going to object to the wording there—

* * * unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law. * * *

Why, the duties on the inspection service in the Post Office Department are not defined by law. The only law that I could find was what I read here. It just says that he—

shall employ postal inspectors as the good of the service and the safety of the mail require.

That is a pretty broad statement. It is certainly not a specific statement of what the criminal investigatory duties of the postal inspection service are, and I think the term is too restrictive, and I object to the whole sentence.

Mr. Collins. What authority do you operate under as far as the whole inspection service is concerned?

Mr. Goff. That statute that I read. It says:

employ such number of post office inspectors as the good of the service and the safety of the mail may require.

I think perhaps Mr. Rankin would agree to that.

The Chairman. Have you any comment, Mr. Rose?

Mr. Rose. I would like to make this comment, sir: that again I have no objection to that language, of that sentence. At least so far as we are concerned, we do not feel that there is any reason to object to giving information to the FBI the minute that we get it. I would expect that anonymous complaints, and things of that sort, that it is intended that the Attorney General would have some latitude to exclude the minor things, in order to avoid swamping the mechanics of the thing with the transferral of all anonymous complaints, and so on, but I do not have any objection to an obligation on our part to report concurrently with our getting the information as to any accusation of our people. I do not construe the language in the same way that Mr. Goff does, as requiring a standstill on the part of an investigative agency which turns over the information until clearance is obtained. I do not read that anywhere in the language here and I do not feel that there is any objection that I see offhand to that section.

The Chairman. What is your interpretation of that, Mr. Rankin?

Mr. Rankin. I think it leaves open the concurrent action of the two agencies, that we object to, as Mr. Rose interprets it, and they could go ahead and, if they were of that mind, could make it difficult for anybody else to accomplish anything, even though they notified the FBI that they thought there was a crime, or that they had information in regard to it.

The FBI, I think, over a long period of time, and with a careful study of this problem, tried to resolve this whole situation, and now believes that there is not any satisfactory way to have to investigative agencies competing in regard to a certain criminal action that is charged, and that it is a mistake, and that it is not in the best interests of the Government. They do not say that it should be one or the other. They say that, if you are going to give it to the FBI and you are going to give the Attorney General the responsibility to prosecute, then you can only have him do a good job for the Government if he can step in and find out the true facts, even over the resistance—and I think that Congress recognizes that there is always a tendency not to reveal, if an agency is getting in bad shape because of some corruption here and there, because it reflects on those at the head of it, and even the best-intentioned persons hesitate to present all those facts there to the public and have prosecutions, and so forth.

But it is contemplated that the Attorney General will go in and prosecute and enforce the laws, and it can only be done if he knows the facts.

This particular portion of the sentence does not provide for such crimes as attempts of outsiders to do something in regard to it. It only considers employees, while S. 2308 involves outsiders who do not actually induce the employee to do a wrongful action, but who try.

I think that that is an important area of criminal action and should be covered by any bill that the committee tries to produce.

Mr. COLLINS. Could I raise two points, Mr. Chairman?

The CHAIRMAN. Surely.

Mr. COLLINS. I wonder if we could have Mr. Rankin's comments on the point that Mr. Goff raised—that the language—

* * * unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law * * *

and whether Mr. Rankin feels that that "unless" clause covers the language that Mr. Goff read, as far as the only authority that the Post Office has, in respect to its inspection service.

Mr. RANKIN. It is difficult for me to comment directly, but I would like to tell a little bit about our office operations with the Postal Inspection Service, and show that over a long period of years, we have had no difference with the Post Office Department in regard to these investigations; that time after time they have brought various matters that by common consent were recognized as serious, that it was decided that they should be handled by the Department of Justice through the FBI; and the investigations have been conducted by the FBI at the instigation and suggestion or common agreement between the two departments.

So that has been worked out administratively, without any problem whatsoever, and they say that the Department of Justice has this authority to investigate these crimes now. It seems that there could be nothing wrong with defining it, and making it clear, and there certainly would be no intention to take over all of the investigation of all of these matters, that are described by Mr. Goff.

The purpose here is to give the power, as we understood it from Senator Williams, and also from the committee's efforts in this matter, to the Attorney General, where there is some action in the agency that is not in complete compliance with the law, or possibly there is some effort to conceal infractions of the law; something has gone bad with the particular agency, and the idea is to give the Attorney General the power to step in and have the FBI investigate, so as to get this thing cleaned up, even over resistance of the agency itself, which is not going to consent to such action, as the hearings of the Congress have shown, over the years.

That has to be someone who can step in over that resistance and get something done.

That was, I think, the effort of the Senator, and I think that it is the committee's effort here.

Mr. ROSE. May I add comments on that?

The CHAIRMAN. Yes.

Mr. ROSE. I think Mr. Rankin has his finger on the only real difference between us when he says that it is a question as to whether the statute should provide for concurrent jurisdiction or for primary jurisdiction in the Department of Justice, subject to delegation to other agencies by the Department of Justice.

I want to make it perfectly clear that we have the highest regard for the personnel, of both the Department of Justice and of the FBI, and we anticipate no problems whatever, almost irrespective of what this committee and the Congress do with this legislation, so long as that condition exists. I know that that is understood, but I want to have it on the record that we do feel that way.

I want to add that on this question of concurrent jurisdiction as against primary jurisdiction subject to redelegation that I would gather from Mr. Rankin's statement as well as from what I know of the situation independently, that that has been the condition, as between the Department of Justice, the FBI, the Post Office Department, and other agencies of government, throughout the years.

According to Mr. Rankin, that has worked satisfactorily there. The only place that there has been a difficulty has been with the Treasury; not, of course, since January 20 of last year, but prior to that.

It seems to me that that indicates clearly the great possibility of working the situation out the most satisfactorily if the relationship remains what has been a satisfactory relationship, as far as I can gather, in all the areas of government other than this one.

Our suggestion is that any statutory difference between the Treasury's relationship to the Department of Justice, and any other department's relationship to the Department of Justice be eliminated, rather than attempt a broad scale redefinition of investigative jurisdictions with many of the consequences of disturbing patterns which have worked well in the past, as has been indicated here.

Mr. GOFF. I want to add this: that the reason the Department of Justice seems to want this primary right is to take care of some fancied situation which may arise in the future. Now, it is working out very well now—we are not having any difficulty, but if we are going to talk about something in the far distant future, we feel we have a right to raise the question also as to whether there will not be some abuse on the part of the then Attorney General, and this wording here states that—

unless the Attorney General otherwise directs with respect, as to any department or agency of the Government, to any specified class of information, allegation, or complaint.

That would put it in the hands of the Attorney General to specify at any time administratively what the duties as far as investigation would be, within the Post Office Department.

Now, we are working along in fine shape now. I think that we will concede the right. As a matter of fact, there are a great many cases, as I understand it, that are referred to the FBI now.

Mr. STEPHENS. There is a very fine working relationship. If we believe that it is more nearly within their jurisdiction, it is something that they could better coordinate with related cases, certainly we have been the first ones to ask them if they would like to take it over. We see no difficulties in that at all, no operating difficulties.

Mr. RANKIN. I would like to make this clear. This is not a hypothetical situation. The chairman knows that this very situation did come up in the prior administration. We have not had any problem with this administration, but in the prior administration it was asserted that the FBI could not come into the Treasury to investigate in these various situations, and that is why Senator Williams is asking for this type of action, and the committee is giving the serious study that it is giving, to it.

After you have such a situation, and somebody says that the FBI does not have jurisdiction, I am sure the committee appreciates the problem that you will have to get any legislation through Congress to fix it right then. It is to try to make sure that that will not happen again that the committee is interested in working this out.

Mr. COLLINS. I would like to put in one thought, Mr. Chairman, if I may, before we go to the next paragraph. It is this: In drawing up this proposed change in language, my thought was to limit it, and I thought I was following the purpose that Senator Williams expressed: That what we were trying to do was to get at alleged violations concerning Government officers and employees.

I would like to check with Mr. Rankin as to the reason that the original bill not only covers officers and employees, but covers any person, and I raise the fact that in the predecessor bill, in the 82d Congress, the Department of Justice sent up S. 2980, and that bill which is substantially similar to S. 2308, concerns itself only with any allegations that any officer or employee has been engaged in any wrongdoing. I was just wondering what the theory is to cover not only officers or employees, but to go beyond that?

Mr. RANKIN. We got that from the FBI's study of what happened in the Treasury before, and, in fact, there were numerous cases where people tried time after time to prevail upon some officer of the Government to take improper action. They did not accomplish it, but it still was having a bad effect, and sometimes they did accomplish it, so that the whole area, it seemed to the Department of Justice, should be covered, in order to protect the agency.

Mr. COLLINS. And the words "involving Government officers and employees" would still embrace a person who is outside the Government who is trying to act in concert with a Government officer or employee?

Mr. RANKIN. That is right; but if the officer or employee resisted it, like he should, it left out that area of the person who tried, which often happens.

Mr. COLLINS. (reading):

Section 2.

Section 3056 of title 18, United States Code, is amended by striking out the following: "detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department;".

Mr. ROSE. I have no objection, sir, to restating my feeling about that. As a lawyer, I would have antecedently thought that it was unnecessary. I think, however, that the amount of confusion that has surrounded the introduction in substantive law of that language makes it desirable that it should be repealed, in order to clear up the question, and make it entirely clear that the Treasury's relationship to the FBI and the Department of Justice is exactly the same as any other agency of Government.

The CHAIRMAN. Have you any comment, Mr. Goff?

Mr. GOFF. I think if we are going to enact a statute, that is all we need. I think that that ought to be your act. There will be no difficulty about it. It just makes the Treasury Department the same as anybody else. That is where the difficulty all arose. It remedies that.

We recognize, in effect, the right of investigation in all these other agencies; it simply takes away the statutory prohibition in this particular department.

Our position is that if that is enacted and explained in your report that it is the position of Congress that they already have this right as to all other departments, and it is only that this little clause needs

to be repealed, that will make every department agency in a uniform situation with regard to the concurrent right of the Department of Justice to investigate in that particular department.

The CHAIRMAN. Senator Williams, would you like to read the law?

Senator WILLIAMS. I have already gone over it with Mr. Collins. I am sorry that I could not be here earlier this morning. Is that agreeable?

Mr. ROSE. I put it this way: that we see no reason to object to it.

Senator WILLIAMS. You are with what Department?

Mr. GOFF. I am with the Post Office.

Senator WILLIAMS. What does Mr. Rankin think of this?

Mr. RANKIN. We preferred your original bill because we think it avoids the concurrent jurisdiction problem where one investigating agency can hold off the FBI or muddy the waters so that they cannot develop the proof necessary. That is basically the difference we see between the two bills.

Senator WILLIAMS. This proposed change handicaps you in some way from moving in and investigating an allegation that was presented against one of these agencies?

Mr. RANKIN. Yes, it would.

Senator WILLIAMS. You think that it would?

Mr. RANKIN. Yes, it would make it possible for their investigative agency to go right along at the same time and fix the evidence so that it would not do us any good.

Senator WILLIAMS. Well, I do not think that that would achieve the goal of what we are speaking about.

Mr. RANKIN. That is a serious objection that the Department has, in consultation with the FBI, and we feel that the hearings of Congress have revealed that that has occurred in cases, as your committee and you are probably aware.

Senator WILLIAMS. I know that it has occurred on a couple of occasions. There is no reflection on the department now. We are both familiar with occasions in the Treasury in which that conflict of interest did develop and which did handicap the operations of the Department of Justice from moving in.

As I said in the beginning, I am not wedded to any particular language, but I think we want to make sure that the Department of Justice would have the authority to move in and investigate in those fields where they felt that an agency itself was negligent in taking the proper action in criminal activities. I think that that should be done.

Mr. GOFF. Senator, if I may speak, I am here for the Post Office Department. I had the pleasure and privilege of serving with you in the 80th Congress, when I was in the House. A close personal friend of mine was J. Caleb Boggs, who is your Governor, and we are here because we feel that the language in this change is too broad.

We think that the FBI already has authority to go in in any place except the Treasury Department. That is the only place in which the difficulty has arisen.

We feel that by the repeal of this particular clause in section 3056 of title 18, relating to the Secret Service, that this can be accomplished, that that is the only clause in our statutes that gives a particular department the sole and exclusive right for such investigations.

If that is repealed, we feel that it is a recognition that it is the general right of the FBI to go in.

We have had considerable argument here on various matters, but our position is that this statute, as it is drawn, goes far beyond any program that you had in mind when you proposed this legislation, and we think that it would actually take away all right, as it is written, for us to have any investigating service in the Post Office Department.

We certainly object to some of the wording here, because we have very little statutory authority for investigations in the Post Office Department. There is merely the general statute that creates the right for us to have a Postal Inspection Service for the protection of the mails, and that is all the statute says.

I think that we are going to have to take a very positive position on this, Senator; that we certainly have the utmost respect for the purpose of the draft of the statute, but we think it is going to be pretty rough on the Post Office Department.

Senator WILLIAMS. I had no intentions of singling out any agency. The case that needed the legislation was emphasized in some specific cases which I related in earlier testimony, and one of which I would repeat.

This case occurred just a few months ago, in a situation where a former employee of the Treasury Department was willing to give a confession as to certain bribes that he had accepted, and certain other irregularities. Finally when he was persuaded to go down to the Treasury Department and was willing to make a statement to the Department of Justice, we found that it was necessary for them to call the Secretary of the Treasury to get permission to take the testimony. When I say "persuaded," I mean that as a Member of Congress, I could not take any official testimony.

Permission in this case was granted willingly, by the way, and I am sure it would be on any future occasions, but suppose he had said "No"? We have had occasions where they did say "No."

Mr. ROSE. That situation, Senator, I think we will all agree, is entirely covered by the redraft that has been prepared here. There is no question that there would be any necessity of getting the Treasury consent to any investigation that the FBI was making.

Senator WILLIAMS. They could go in and examine your reports, with or without your consent, under this legislation.

I know of another case where we had a United States attorney attempting to present a case in St. Louis against one of the officials involved.

The grand jury recessed and filed their report without the Treasury Department ever turning over to them the information which they had, which would have done the job, and which later did do the job, to get the indictment.

In that particular instance, I do not know what the Treasury told the Department of Justice, but they emphatically denied to me the existence of such thing.

I think that the Department of Justice should have had the right and authority and responsibility to get the information when it was called to their attention, and that is wha I was trying to correct.

I was not doing it on the basis that the Department of Justice was any super agency, better than anyone else. I join in criticizing them too, if I thought that they were lax in some of their own fields, and

that possibly it was part of their responsibility. For all we know it might be that we will direct some criticism at them rather than at other agencies.

I think that we ought to be sure that this is balanced over a long range, without any reflection as to the integrity of any agency, either Treasury or Justice or Post Office, or anybody else. We want a safeguard for the future.

Mr. GOFF. Senator, as a private citizen, may I express my profound admiration for the work you did for the American people in the investigation you made. I want to make that very plain.

I also want to make it clear that the Department, which it is my honor to represent, does not intend to impede the FBI and certainly, with the present head of that Department, there would be no difficulty whatever.

But these crooks have all been in the agency, unfortunately and the first thing we want to do is to have them brought to light. If somebody can help us, we are glad to have them do it.

Instead of saying that there are no crooks, we invite your suggestion that if we have any we will be the first to attempt to uncover them and to turn full information over, but we feel that on that very matter on which you just touched, Senator, that over the long run for the future, this is not an equal and evenhanded statute; that there is the creation here of the possibility of a superagency in the future. We do not think that there will be any trouble under the present direction of the FBI.

Senator WILLIAMS. We do not intend it that way and I did not think that it did—only to the extent that there will be occasions when reports will be made to the Department of Justice. Possibly the report may be uncalled for, but the report will be made to them and they will move in and start an investigation at X area on Mr. Y, and when they do that the agency itself may be investigated and you would have a dual investigation.

We have to delegate the responsibility to some one or each can pass the responsibility. When the decision comes down to a final investigation, I think that we, as Members of Congress, have to be able to say that someone is responsible.

After all, the Department of Justice is the prosecuting agency of our Government, and it is up to us to keep it clean enough so that we can respect it.

That was the only basis that we had in designating the Department of Justice as the final end—as the agency that would be held responsible.

That was not with any reflection on Treasury, Post Office or any other department, but, if there is only certain evidence which can be obtained, who gets it if both are after it? That is what we are afraid of, and not that you would cover up to protect the witness, or anything else. You can both be after the same thing at the same time.

Mr. RANKIN. We have had cases recently where we had a prosecution and the defendant would be producing records of the agency that were not made available to the Department of Justice in connection with the prosecution, to try to help the defendant get an acquittal in the case. That is the reason that we feel that you have to have this responsibility. Personally I would not oppose, as far as the Department of Justice is concerned, if Senate bill 2308 gave the Post Office

Department the job of prosecuting. I would feel that they should have the rights that we ask for in this bill for the Department of Justice, so that they could follow through and have no interference in trying to establish whether there was a crime committed, and to get a conviction.

If you see fit to give them the job of prosecuting, give them those same powers, and we will have no complaint. If you want us to do the job of prosecuting, give us the powers to do a good job of it.

Mr. COLLINS. May I add a comment here, Mr. Chairman?

The CHAIRMAN. You may.

Mr. COLLINS. In explanation of the first sentence, I would like to point out that we went into quite considerable detail in trying to work out language which would carry out Senator Williams' purpose which, as the subcommittee understands, is to guarantee that the Department of Justice and the Federal Bureau of Investigation can at any time go into any agency and investigate any irregularity or violations of law. It is my own feeling that this language would permit that right, and at the same time, as Mr. Rankin points out, it does raise the question of concurrent jurisdiction.

However, I do feel that any matter which may have been or may hereafter be conferred upon them means that the authority of the Federal Bureau of Investigation, assuming that this language as it is stated here were enacted, by no stretch of the imagination attempts to cut down any investigating authority. What it does is spell out authority for the Department of Justice or the FBI to go into any agency at any time, and at the same time protecting the basic investigating authority of each investigative agency.

Mr. RANKIN. What if, because of the bad effect it might have upon that agency with the public, the agency is interested in not having that investigated, and their investigating people are going to be busy along that line, while the FBI is busy trying to make a case? What happens under your bill then?

Mr. COLLINS. I do not know whether there is any danger of such a situation arising; furthermore, I cannot speak for any agency.

Mr. ROSE. If I might comment, it seems to me that the provision for the transmission of information forthwith to the FBI or the Attorney General except in such cases as he might indicate that he did not want it as a class, would give the immediate ability of the FBI to step into any situation that it wanted to. I think what we are doing here is really balancing rather major interests, and I do not quite share Mr. Rankin's concern about the cases where we are both after it. What I am more concerned about is what might happen if a primary jurisdiction is conferred on one agency and withdrawn from another, and then the place of the primary jurisdiction might, because of the overload of work or whatever, not be able to handle it promptly, or as conveniently, or as intimately as could be done by the agency involved.

Our attitude toward the workout under this arrangement has been fully expressed. We intend to have the FBI, as a regular routine matter, be the agency that would look into cases of corruption on the part of our people. The only reservation that I have is the withdrawal of what you might call a residual authority in the Secretary of the Treasury to make such investigations in cases where for one reason or another the agency with the primary authority was not doing it. It seems to me that that should not be a delegated authority or an

authority subject to withdrawal, but should be a primary authority, not subject to anyone else's consent, even though, as a working arrangement, it is our firm intention, as expressed in the arrangement with the Department of Justice which is all ready to go into effect subject to being financed, to make the FBI the agency which is the standard investigator of cases of wrongdoing or alleged wrongdoing on the part of our people.

Mr. RANKIN. We have no trouble with the present personnel in the Treasury Department, as I stated before. However, we have the problem of applying the situation to facts where they are different concerning personnel.

We have a history that is very close to us where we had different personnel, personnel who said that the FBI had no right to come in. It was asserted very vehemently that they had no right to come in and investigate these cases in order to be able to prosecute.

It seems to me that the intention of the Congress and of the committee was to try to solve that situation and not to solve a situation where everything is a happy relationship.

There is always, as the record shows, an attitude on the part of the agency not to develop the facts, and not to help in getting the facts out so that we can get convictions, because it reflects on the agency necessarily, so you have to give some kind of authority to reach there over opposition and objection and active effort to conceal, and that is what we would like to have, in order to do a job of prosecution.

Senator WILLIAMS. I am just speaking as a layman who is trying to get a certain point over, but under section 2, we repeal that section of the law upon which this decision was hinged which most of us agree was a misinterpretation. But we have repealed that.

Then when we spell out affirmatively, as proposed in the committee amendment here, that you can do those things, what would stop you in the case that, we would say, it did develop that the Treasury Department had certain information and that they did have it? What would stop you from going in and getting that information?

Under the law would you recognize the right of the Department of Justice to demand these reports, similar to what you mentioned before, under this law, if enacted as proposed?

Mr. ROSE. It seems to me that we would be compelled so to do, Senator—in addition to wanting to do so.

Senator WILLIAMS. I recognize the fact that you would do it willingly. I am not questioning that. But, in the event that you would not want to do it, if this is enacted as proposed, would you recognize that you had to do it?

Mr. ROSE. Yes, sir.

Mr. RANKIN. We have no issue with that, Senator. The only issue is in regard to the concurrent part. Not being a lawyer, you might not appreciate this, but if Mr. Rose would talk to somebody as a witness and develop the situation in one way, and I would try to come in as a prosecuting attorney, he might have gotten the witness in such shape that I would not be able to do anything with him.

Senator WILLIAMS. As one who was always concerned whether I could tell a story twice in the same way if I got on the witness stand myself, I would not be concerned with that. What I am concerned with is that as to any testimony developed from this witness, it would be automatically available to you under this rule.

Mr. RANKIN. On the concurrent part, if he said he was investigating too, which he has a right to do under this bill, he would not have to give that up.

Senator WILLIAMS. I understood that he said that he would recognize, under the law, that he would be compelled to do so, and it would seem to me that if that is what we are trying to do, we could spell our intention out in the report and the legislative background would make it part of the law.

Mr. RANKIN. If that is his intention.

Mr. GOFF. It certainly is ours.

Senator WILLIAMS. I think we could spell it out.

Mr. RANKIN. That would satisfy us.

Mr. GOFF. I want to be sure that I understand the Senator. In other words, the position of the Post Office Department is this: That this right does at the present time exist, that no one has ever questioned this right as to any agency except the Treasury Department, and the only basis for that particular stand was this single clause in the statute; and that if this single is repealed and taken out of the statute, and in the report on the bill it states that it is recognized that the right does exist, and that this repeal is simply to remove any possible questions as to this one agency, then we think you have accomplished what you want.

Senator WILLIAMS. I will tell you what the objections to that would be. That clause which we are striking out is the one upon which they hinge their decisions now, but the historical record is that even before that law was enacted, including the clause, which I think was 1950, this same decision had been made back in 1942, at which time it was hinged under some other imaginary law. I think that was the basis of going further, as we did in section 1, and spelling out affirmatively what we all intended, because it was only after this law was enacted in 1951 that they ever hinged their decision upon that section, although it had already been in effect long before.

So that was the only basis of spelling that out affirmatively.

I will grant you that I did not think there was ever a law which intended that, but that was our basis of wanting to spell out affirmatively that, notwithstanding any other provision of law under which they might want to spell it out, we want all agencies to do as the rest of you have been doing in the past. I do not think it would change it at all, as far as you are concerned, except to spell out affirmatively that they can continue to do what they have been doing.

Mr. GOFF. Senator, we have no objection if it just simply made a simple statement, recognizing the right of the Department—the Department of Justice—to investigate all these different types of offenses, but, if there was just a simple statement of that kind, we think the rest of this goes too far and we believe that, as the Senator has already said, you are not particularly disturbed about this matter of getting to the witness first. If he is telling the truth, he is going to tell the same story to the Department of Justice that he tells to us.

We do not want to be in the position where we would object to the simple statement recognizing their general right, in all departments and agencies, but we do not like the rest of the language.

Senator WILLIAMS. What in section 1 says that you should do anything different than you are already doing?

Mr. Goff. Well, the part about referring every case to the Attorney General. We refer every case unless the responsibility to perform the investigation is specifically provided by law within the agency and unless the Attorney General directs otherwise.

Senator Williams. Why should you not refer to the Attorney General a case that developed in any department, and which involved fraud or something such as that?

Mr. Goff. It does not limit it to that. It says "any offense" under title 18.

Mr. Rose. My understanding is that this is not reference of the case; it is simply reference of information.

Mr. Goff. Do you construe this thing that it would be simply that whenever we had a report of a criminal offense, we would report it to the Department of Justice?

Mr. Rose. That is my reading.

Mr. Stephens. It says "refer it for investigation."

Mr. Goff. It says "for investigation." Now, if they want us to send them some reports, I get them every few days.

Mr. Stephens. The reports go to the United States attorney.

Mr. Rankin. That is the Attorney General.

Senator Williams. You already do that now if it involves any criminal section, do you not?

Mr. Stephens. What I meant, Senator, is that after we investigate any complaint, it is referred to the United States attorney having jurisdiction, for prosecutive action. This means referring to them for investigation.

Senator Williams. I think that only means that you refer it to them—that they can develop it if they want, or prosecute; that they might, after examining, disagree with your findings, and find it not the basis for a criminal prosecution.

I do not think that if you change it to referring it to them for prosecution, that there might be good reasons why they disagree. I wish you would explain that.

Mr. Rankin. That is what I interpret it to be, and you also have a provision here that "The Attorney General can otherwise direct, at any time." That covers that.

Mr. Williams. It is a good bit like the situation now where the Treasury might refer recommendations for criminal prosecution on a tax case. They refer it to you—you conduct your own investigation of the facts behind the case and then report to them that you decide you do not want to prosecute for reasons, or that you do. I think that it is the investigation that we are referring to there. It is not a reflection upon the investigation made in the past.

Mr. Stephens. Senator, what we interpret this as being capable of covering would be any offense involving a half million postal employees, perhaps simple embezzlement, theft of letters, many violations that relate to misuse of the mails or destruction or loss of the mails; and having evidence of that sort, having developed the case to that point, we would be required by this act to refer it, to stop our criminal investigation until it had been referred to the Attorney General and decision reached by him as to whether we should proceed about that case.

Now, we strongly feel that that could be the effect of this.

Senator Williams. What would you do now?

Mr. STEPHENS. We would investigate it, and perhaps take the person under custody, report the evidence, present the evidence to the United States attorney.

Senator WILLIAMS. That is the Attorney General's office when you do that. You cannot go into court without going through the United States Attorney General's office. I do not care whether you report it to the Attorney General of the United States, or to the United States attorney. That is one and the same thing, as far as I am concerned.

Mr. STEPHENS. Our point about this is, sir, that we believe that we would be required to report that for investigation.

Mr. ROSE. Might I make a suggestion there? I think that the Post Office may have a problem which the Treasury does not have, because of the fact that, even to a less extent than in the case of the Treasury statutes, there is not a specific reservation or direction to the Post Office to investigate certain classes of crime.

My notion as to the function of that second sentence was to give the Department of Justice and the FBI immediate notice of the same information that was available to other agencies, with the idea that the Department of Justice and the FBI could go in, if they so elected, as we think they can now, under the statutory authority, which is, however, spelled out and confirmed by the first sentence here; and that the function of the second sentence was merely to give them that opportunity, by giving them concurrent information so that they could move in, if it was a case where they so desired.

If there is an implication that it deprives the Department of investigative authority, it does not seem to me that it weakens it at all if the words "for investigation" were to be stricken out of lines 24 and 25, leaving the investigative authority exactly where it is under the first sentence, and simply referring to information. It gives them the opportunity to make the investigation if they so desire.

Mr. GOFF. That is along the line of my thinking. We would not object to the simple statement recommending the right of the Federal Bureau of Investigation to go in on any criminal offense in any department, but we think that that can be accomplished by a simple statement to that effect, first.

Second, we think that all violations of criminal offenses within the Department shall be reported immediately to the Department of Justice and I think that that is all that is necessary. But you say "refer for investigation."

The CHAIRMAN. What good is that unless, when you report it he can investigate it?

Mr. GOFF. You have stated in the first sentence that they can if they want to. If they do not want to, they do not have to. The point is this: Recognize their authority and the minute we find some violation has come up, we report it to them, but we do not like this spelling out and giving them what we think here, under our statute, to be the sole authority, unless they say "when it doesn't amount to more than $100, you can investigate it yourself."

Mr. RANKIN. I think there is one further step that you need, and that is the right to set aside their investigation and step in and investigate by a separate, independent agency, if the Attorney General sees fit to do so, because, after all, he is the one who has the responsibility to prosecute, and, if the prosecution fails, it does not affect the record of the other agency.

Mr. Rose. May I comment on that?

It seems to me inconceivable that any official, in the face of confirmation of the statutory jurisdiction of the FBI to investigate any crime, would seek to exclude them.

Mr. Rankin. Why take it out, then?

Mr. Rose. The point is that I think there ought to be left direct authority in the head of the department in the case where the outside agency does not investigate.

I think the fear in the face of the statute which spells out the right of the Department of Justice, which I thoroughly agree is the primary law enforcement agency of the Government, to investigate and have information, that the problem of attempts to interfere with that investigation in cases where the Department of Justice wishes affirmatively to come in is not a real one.

Now, previously, there was not this clear statutory confirmation which you are contemplating giving here, and which I understand is the primary purpose to give here, but I do fear withdrawing authority, except on delegation from someone else, from the head of each agency to look into his own affairs, in the event that the other agency does not. That is my only concern.

Senator Williams. I believe that we could spell it out in the committee report, as Mr. Collins proposed, as to what we intend to do, because I think we are all in agreement as to the principle behind the bill. I think we are in agreement as to what we want to accomplish, and as to the protection we want to give to each department. I think that the committee can spell that out in the report and, as the sponsor of the bill, I will say that we will try to do that the best we can.

If, in the application of the law, you find that it has worked an undue hardship on the Post Office or Treasury or anyone else, you come back to us and we will try to spell it out and correct it because we have no intention of upsetting your arrangements.

However, I do think we have something here, which it is necessary to accomplish. I think that we can spell it out in the report or make it clear what our intentions are, as to the authority that we want to leave with each of you, and the authority that we want to leave with the Department of Justice.

Mr. Collins. May I ask a question regarding the position of the Post Office Department?

The Chairman. Yes.

Mr. Collins. Does Mr. Goff feel that the "unless" clause would protect the Post Office Department from the FBI trying to usurp jurisdiction over the ordinary investigations that the Post Office has to make every day?

Could you take care of that with language to the effect that the Post Office and Attorney General can make agreements? I am sure they must have some agreements now regarding administrative procedure.

Mr. Goff. We have no trouble now at all. We are working out beautifully. That is the thing that we do not want to disturb.

We think that when you spell out and say that by law—and that is what it says—that actually it is within the Attorney General's power to specify the exact limitations that we have, that that is not needed. We think it is enough that we simply recognize their general authority

and report all violations to them, and we think that the more language you insert, the more suspicious we are—not with the present Justice Department officials, but with some action that might be taken in the future.

Why do we need it?

There is another thought, from a pure draftmanship angle. If you use this language, I think you will agree that when the language of a statute is plain, it does not matter what you say that you intended. If the language is plain, that is the law, and that is the way the courts will interpret it.

It is only in case of some ambiguity that you have to consult the legislative intent.

We prefer to use the little simple language that I have suggested here, and it does not need any of these long involved sentences—to simply recognize this right and say that we will report it to the Attorney General and then, in your report, you can say that we mean to recognize this, and our idea is to give the FBI full power to go ahead.

I am afraid that we are going to have to continue to object to the language that is there. We are talking about the future and an Attorney General with different ideas, as this gentleman over here said, might be corrupt, or might have ideas of controlling various Government departments. That is a tremendous power that you are going to give him by this.

Mr. COLLINS. Mr. Chairman, we have a report from the Office of the Assistant Secretary of Defense, commenting on this bill. It is dated March 9, 1954, and signed by R. A. Buddeke, for the Assistant Secretary of Defense. May that report be made a part of this record?

The CHAIRMAN. It may be incorporated in the record.

(The report referred to follows:)

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington 25, D. C., March 9, 1954.

HON. WILLIAM LANGER,
Chairman, Committee on the Judiciary,
United States Senate.

DEAR MR. CHAIRMAN: This is in response to your letter of March 5, 1954, requesting this Department to have a representative appear at a hearing on March 10, 1954, on S. 2308, a bill to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

The current revised draft of bill would provide that notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code, involving Government officers and employees. The bill also provides that any information received in any department or agency of the executive branch relating to such violations involving Government officers and employees shall be referred to the Attorney General for investigation unless the responsibility to perform an investigation with respect thereto is specifically assigned by another provision of law, and unless the Attorney General otherwise directs other action as to any specified class of information, allegation, or complaint.

The legislation is substantially similar to the bill S. 2980 of the 82d Congress. For the reasons set forth in a letter dated October 10, 1952, to the Bureau of the Budget on S. 2980, copy of which has been made available to your committee, the Department of Defense opposes the enactment of this type of legislation.

While the Department of Defense is not in a position to recommend approval of this legislation, it recognizes that certain other departments of the Government, particularly the Departments of Justice and the Treasury, have overriding interests in it. Either of those departments should be in a better position to speak authoritatively for the executive branch of the Government on this subject.

In view of the foregoing the Department of Defense respectfully declines the invitation of the committee at this time.

Sincerely yours,

(Signed) R. A. BUDDEKE
(For the Assistant Secretary).

The CHAIRMAN. Gentlemen, it is 12 o'clock. We will adjourn and go to the floor.

I want to thank you all for coming here today.

(Whereupon, at 12 o'clock noon, the committee recessed, subject to the call of the chairman.)

83D CONGRESS
1ST SESSION

S. 2308

IN THE SENATE OF THE UNITED STATES

JULY 7 (legislative day, JULY 6), 1953

Mr. WILLIAMS (for himself, Mr. MARTIN, Mr. WELKER, Mr. SCHOEPPEL, Mr. BUTLER of Maryland, Mr. POTTER, Mr. HENDRICKSON, Mr. GRISWOLD, Mr. KUCHEL, Mr. BENNETT, Mr. LANGER, Mr. CASE, Mr. BEALL, Mr. THYE, Mr. JENNER, Mr. DWORSHAK, Mr. MALONE, Mr. WATKINS, Mr. COOPER, Mr. PAYNE, and Mr. BUSH) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 4047 of the Internal Revenue Code and the provision of section 3056 of title 18 of the United States Code, as amended, which authorizes the United States Secret Service to detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department, and notwithstanding any other

provision of law, any information, allegation, or complaint received in any department or agency of the executive branch of the Government that any person has committed, or has attempted to commit, or has conspired with any other person to commit, concerning official matters administered by or under the control of any department or agency: bribery; fraud against the Government; the making of any false claim against the Government; theft, embezzlement, illegal possession, receiving, or destruction of Government property; impersonation of any Federal officer; or any other act which may constitute a violation of any provision of title 18 of the United States Code, notwithstanding that it may also constitute a violation of another provision of law, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law shall be expeditiously referred to the Attorney General by the head of the department or agency receiving such information, allegation, or complaint, and investigation with respect to any such information, allegation, or complaint shall be performed by the Attorney General, or by such other officer, or by such department, agency, or employee, as he may authorize: *Provided,* That the several departments and agencies may conduct with respect to any such information, allegation, or complaint relating to an officer or employee thereof such investigation as may be appro-

priate to the determination of administrative action to be taken against such officer or employee: *And provided further,* That the Attorney General shall have primary jurisdiction to investigate any acts information concerning which is required to be referred to him under this statute, and no department or agency shall interfere with any such investigation.

83D CONGRESS
1ST SESSION

S. 2308

A BILL

To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

By Mr. WILLIAMS, Mr. MARTIN, Mr. WELKER, Mr. SCHOEPPEL, Mr. BUTLER of Maryland, Mr. POTTER, Mr. HENDRICKSON, Mr. GRISWOLD, Mr. KUCHEL, Mr. BENNETT, Mr. LANGER, Mr. CASE, Mr. BEALL, Mr. THYE, Mr. JENNER, Mr. DWORSHAK, Mr. MALONE, Mr. WATKINS, Mr. COOPER, Mr. PAYNE, and Mr. BUSH

JULY 7 (legislative day, JULY 6), 1953
Read twice and referred to the Committee on the Judiciary

Calendar No. 1078

83D CONGRESS, 2d Session } SENATE { REPORT No. 1079

AUTHORIZING AND DIRECTING THE INVESTIGATION BY THE ATTORNEY GENERAL OF CERTAIN OFFENSES

MARCH 15 (legislative day, MARCH 1), 1954.—Ordered to be printed

Mr. LANGER, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 2308]

The Committee on the Judiciary, to which was referred the bill (S. 2308) to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes, having considered the same, reports favorably thereon, with an amendment in the nature of a substitute, and recommends that the bill, as amended, do pass.

AMENDMENT

On page 1, line 3, strike all after the enacting clause and insert in lieu thereof the following:

That notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code (including without limitation bribery or attempted bribery, extortion or conspiracy, embezzlement, fraud against the Government, or other crimes against the United States), involving Government officers and employees. Any information, allegation, or complaint received in any department or agency of the executive branch of the Government relating to said violations involving Government officers and employees shall be expeditiously reported to the Attorney General by the head of such department or agency, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law, or unless the Attorney General otherwise directs with respect, as to any department or agency of the Government, to any specified class of information, allegation, or complaint.

SEC. 2. Section 3056 of title 18, United States Code, is amended by striking out the following: "detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department;".

PURPOSE

The purpose of the proposed legislation, as amended, is to set out the necessary authority for the Attorney General and the Federal Bureau of Investigation to investigate alleged irregularities on the part of Government officers and employees and to require the reporting by the departments and agencies of the executive branch to the Attorney General of information coming to their attention concerning any alleged irregularities on the part of officers and employees of the Government.

STATEMENT

This legislation would put to rest the jurisdictional conflict of authority which has existed for many years whereby it has been held that the Attorney General and the Federal Bureau of Investigation lacked authority to investigate any alleged irregularities on the part of employees in the Treasury Department.

The committee is informed that under the policy as adopted under preceding administrations when any alleged irregularity involving employees of the Treasury Department was called to the attention of the Attorney General or the Federal Bureau of Investigation, the only action they could take under the then existing policy was to refer the charges to the Treasury Department with the suggestion that they investigate themselves, and if the investigation disclosed any irregularities, then the Treasury Department would refer back the case to the Department of Justice for prosecution.

The committee is further advised that on occasion under preceding administrations the Treasury Department has refused to permit the Federal Bureau of Investigation to interview Treasury Department personnel and denied to the Federal Bureau of Investigation information from the public records in the Treasury Department during attempted investigations by the Federal Bureau of Investigation into allegations of bribery, fraud, and similar offenses by Treasury Department officers or employees against the integrity of the United States Treasury Department. The committee is of the opinion that this bill, as amended, will prevent such situations from arising again.

During the past 6 months, the Department of Justice and the Treasury Department have been attempting by agreement to settle the differences which had given rise to the jurisdictional conflicts which this bill seeks to eliminate.

The committee wishes to point out that any agreement which might be entered into between the Justice and Treasury Departments could, in the absence of legislation, be unilaterally terminated or abrogated at any future time.

Section 1 of this legislation emphasizes by statute that the Attorney General, as the chief law enforcement officer of the Government, has the authorty to investigate any violation of the criminal statutes involving Government officers and employees. The bill provides that all complaints and information concerning violations of title 18 of the United States Code involving Government officers and employees be reported to the Attorney General unless the responsibility for performing such investigation has been specifically conferred upon the agency itself by existing law, or the Attorney General otherwise directs.

Senator Williams, the sponsor of this legislation, in testifying before the subcommittee at a hearing on January 28, 1954, stated:

> It is not the purpose of this bill to set up the Federal Bureau of Investigation as a super Gestapo over Government employees. It is intended merely to allow the Department of Justice when allegations are submitted to them regarding possible fraud or criminal actions on the part of employees in any Government agency to investigate such charges and, if necessary, to prosecute.

This bill by its terms does not limit the present authority of any agency to investigate any matter within its own jurisdiction. This legislation is not to be construed to disrupt investigative powers or established procedures of any agency or department, or to interfere with the traditional investigative activities of any department or agency. All this bill seeks to do is to insure, when necessary, that the Attorney General has the authority, upon the basis of information or complaint, to go into any agency to investigate alleged irregularities on the part of Government officers and employees. If the Attorney General or the Federal Bureau of Investigation undertakes such investigation, they should have complete cooperation from the department or agency concerned.

Section 2 of the proposed legislation further sets this jurisdictional conflict to rest by deleting the language of Public Law 79 of the 82d Congress, from which language the interpretation has arisen that the Federal Bureau of Investigation has not the authority to investigate irregularities on the part of Treasury officers and employees. The deleted language is as follows:

> detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department.

The committee believes that this legislation resolves the jurisdictional conflict which has arisen in the past between various agencies. The committee therefore recommends favorable consideration of this bill (S. 2308) as amended.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 18, UNITED STATES CODE

SECTION 3056. SECRET SERVICE POWERS

Subject to the direction of the Secretary of the Treasury, the United States Secret Service, Treasury Department, is authorized to protect the person of the President of the United States and members of his immediate family, the President elect, and the Vice President at his request; detect and arrest any person committing any offense against the laws of the United States relating to coins, obligations, and securities of the United States and of foreign governments; detect and arrest any person violating any of the provisions of sections 508 and 509 of this title and, insofar as the Federal Deposit Insurance Corporation, Federal land banks, joint-stock land banks and national farm loan associations are concerned, of sections 218, 221, 433, 493, 657, 709, 1006, 1007, 1011, 1013, 1014, 1907, and 1909 of this title; [detect and arrest any person violating any laws of the United

States directly concerning official matters administered by and under the direct control of the Treasury Department;] execute warrants issued under the authority of the United States; carry firearms; offer and pay rewards for services or information looking toward the apprehension of criminals; and perform such other functions and duties as are authorized by law. As amended July 16, 1951, c. 226, § 4, 65 Stat. 122.

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Calendar No. 1078

83D CONGRESS
2D SESSION

S. 2308

[Report No. 1079]

IN THE SENATE OF THE UNITED STATES

JULY 7 (legislative day, JULY 6), 1953

Mr. WILLIAMS (for himself, Mr. MARTIN, Mr. WELKER, Mr. SCHOEPPEL, Mr. BUTLER of Maryland, Mr. POTTER, Mr. HENDRICKSON, Mr. GRISWOLD, Mr. KUCHEL, Mr. BENNETT, Mr. LANGER, Mr. CASE, Mr. BEALL, Mr. THYE, Mr. JENNER, Mr. DWORSHAK, Mr. MALONE, Mr. WATKINS, Mr. COOPER, Mr. PAYNE, and Mr. BUSH) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

MARCH 15 (legislative day, MARCH 1), 1954

Reported by Mr. LANGER, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That notwithstanding section 4047 of the Internal Revenue Code and the provision of section 3056 of title 18 of the United States Code, as amended, which authorizes the United States Secret Service to detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department; and notwithstanding any other~~

provision of law, any information, allegation, or complaint received in any department or agency of the executive branch of the Government that any person has committed, or has attempted to commit, or has conspired with any other person to commit, concerning official matters administered by or under the control of any department or agency: bribery; fraud against the Government; the making of any false claim against the Government; theft, embezzlement, illegal possession, receiving, or destruction of Government property; impersonation of any Federal officer; or any other act which may constitute a violation of any provision of title 18 of the United States Code, notwithstanding that it may also constitute a violation of another provision of law, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law shall be expeditiously referred to the Attorney General by the head of the department or agency receiving such information, allegation, or complaint, and investigation with respect to any such information, allegation, or complaint shall be performed by the Attorney General, or by such other officer, or by such department, agency, or employee, as he may authorize: *Provided*, That the several departments and agencies may conduct with respect to any such information, allegation, or complaint relating to an officer or employee thereof such investigation as may be appro-

~~priate to the determination of administrative action to be taken against such officer or employee: *And provided further,* That the Attorney General shall have primary jurisdiction to investigate any acts information concerning which is required to be referred to him under this statute, and no department or agency shall interfere with any such investigation.~~

That notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code (including without limitation bribery or attempted bribery, extortion or conspiracy, embezzlement, fraud against the Government, or other crimes against the United States), involving Government officers and employees. Any information, allegation, or complaint received in any department or agency of the executive branch of the Government relating to said violations involving Government officers and employees shall be expeditiously reported to the Attorney General by the head of such department or agency, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law, or unless the Attorney General otherwise

directs with respect, as to any department or agency of the Government, to any specified class of information, allegation, or complaint.

SEC. 2. Section 3056 of title 18, United States Code, is amended by striking out the following: "detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department;".

Calendar No. 1078

83D CONGRESS
2D SESSION

S. 2308

[Report No. 1079]

A BILL

To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

By Mr. WILLIAMS, Mr. MARTIN, Mr. WELKER, Mr. SCHOEPPEL, Mr. BUTLER of Maryland, Mr. POTTER, Mr. HENDRICKSON, Mr. GRISWOLD, Mr. KUCHEL, Mr. BENNETT, Mr. LANGER, Mr. CASE, Mr. BEALL, Mr. THYE, Mr. JENNER, Mr. DWORSHAK, Mr. MALONE, Mr. WATKINS, Mr. COOPER, Mr. PAYNE, and Mr. BUSH

JULY 7 (legislative day, JULY 6), 1953
Read twice and referred to the Committee on the Judiciary

MARCH 15 (legislative day, MARCH 1), 1954
Reported with an amendment

12. LAND TRANSFERS. Passed without amendment H. R. 4984, to remove certain limitations upon disposition of research land heretofore conveyed to Miles City, Mont. (p. 4302). This bill will now be sent to the President.

Passed without amendment S. J. Res. 119, to validate conveyance of a tract of land in Okaloosa County, Fla. (Escambia Farms Project) formerly under the jurisdiction of this Department (p. 4285).

13. FOOD STANDARDS. Passed without amendment H. R. 6434, to amend sections 401 and 701 of the Federal Food, Drug, and Cosmetic Act so as to simplify the proceedings governing the establishment of food standards (pp. 4287-9). This bill will now be sent to the President.

14. DISBURSING. Passed as reported S. 2844, to make permanent the authorization of certain transactions by U. S. disbursing officers (pp. 4284-5).

15. CRIME INVESTIGATIONS. Passed as reported S. 2308, to increase the power of the Justice Department to investigate crimes in connection with Government activities (pp. 4291-3).

16. PRICE SUPPORTS. Sen. Aiken inserted Keith Wallace's (pres., Vt. State Farm Bureau) statement supporting the reduction of dairy price supports (pp. 4278-9).

17. FARM POLICY. Sen. Gillette inserted a number of newspaper and magazine articles describing the organizations and men who, he claimed, "dominate farm policy in the Nation's Capital" (pp. 4279-82).

18. FOREIGN TRADE. Sen. Malone spoke in favor of a flexible tariff to make up the differential of cost due to the difference in wages and taxes in this country and in the chief competitive countries (pp. 4319-23).

19. LEGISLATIVE PROGRAM. Majority Leader Knowland stated that, if possible, the conference report on the Mexican farm-labor bill will be taken up today (Apr. 6 and that after completion of the road authorization bill, the Senate will consider bills permitting toll charges on certain Federal-aid highways, conveying land to certain schools in Colo., and authorizing Federal lease-purchase agreements (pp. 4308-9).

BILLS INTRODUCED

20. FARM LOANS. S. 3245, by Sen. Aiken, to amend the act of Apr. 6, 1949, as amended by the act of July 14, 1953, to improve the program of emergency loans; to Agriculture and Forestry Committee (p. 4275).

S. 3246, by Sen. Aiken, to amend the Bankhead-Jones Farm Tenant Act, as amended, so as to provide for a variable interest rate, second mortgage security for loans under title I, insurance of mortgages not exceeding the reasonable value of the farm; to Agriculture and Forestry Committee (p. 4275).

21. FEDERAL CROP INSURANCE. S. 3247, by Sen. Aiken, "to amend the Federal Crop Insurance Act, as amended;" to Agriculture and Forestry Committee (p. 4275).

22. PERSONNEL. S. 3248, by Sen. Smathers, to amend the Civil Service Retirement Act to provide for payment of an annuity to a surviving spouse of a previously retired officer or employee in certain cases; to Post Office and Civil Service Committee (p. 4275).

23. DAIRY PRODUCTS. S. 3259, by Sen. Dworshak, to increase the daily allowance of milk, butter, and cheese in the Navy ration, and to require corresponding changes in the Army and Air Force ration; to Armed Services Committee (p. 4276).

ITEMS IN APPENDIX

24. FARM HOUSING. Rep. Price inserted a Trainman News editorial defending the agencies of the Government who administer the housing loan programs, including the Farmers' Home Administration (p. A2560).

25. FOREIGN TRADE. Reps. Fisher and Bailey, and Sen. Malone inserted various newspaper articles discussing the President's recommendations on foreign trade (pp. A2561-2, A2572, A2583).

26. ACCOUNTING. Rep. Bonner inserted a Washington Post editorial commending Comptroller General Warren (pp. A2562-3).

27. ELECTRIFICATION. Sen. Magnuson inserted a Cowlitz County Pomona Grange resolution and a Longview (Wash.) Daily News editorial opposing "present moves toward increasing wholesale rates charged by the Bonneville Power Admin." (pp. A2573-4).

28. IMPORTS. Extension of remarks of Rep. Colmer criticizing the American paint and varnish industry for protesting the imposition of quota controls on imports of tung oil (p. A2575).

29. STATEHOOD. Del. Bartlett inserted a St. Louis Post-Dispatch editorial favoring statehood for Alaska and Hawaii (pp. A2575-6).

30. DAIRY PRODUCTS. Sen. Aiken inserted a Des Moines (Ia.) Register editorial endorsing the bill introduced by Sens. Aiken and Anderson on dairy price supports (p. A2588).

31. HEALTH. Rep. Wolverton inserted the testimony of Dr. David B. Allman, representing the American Medical Assn., favoring H. R. 8356, to encourage more extensive use of the voluntary prepayment method in providing personal health services (pp. A2593-4).

32. PRICE SUPPORTS. Extension of remarks of Rep. Hagen (Minn.) favoring high price supports and saying "It has been my special effort...to demand and fight for 100-percent parity for farm products" (p. A2595).

COMMITTEE HEARINGS RELEASED BY GPO.

33. ROAD AUTHORIZATIONS. S. 2859, 2982, 3069, 3184, proposed Federal-Aid Highway Act of 1954. S. Public Works Committee.

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COMMITTEE HEARING ANNOUNCEMENTS FOR APR. 6: Price supports, S. and H. Agriculture. Foreign-aid program (FOA bill), H. Foreign Affairs. Social security for farmers, etc., H. Ways and Means (Morse to testify) (postponed from Apr. 5).

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decisions of the Tax Court of the United States which had been reported from the Committee on the Judiciary with an amendment, on page 1, after line 7, strike out:

The Supreme Court may prescribe, and from time to time amend, uniform rules for filing petitions, preparation of records, and the practice, forms, and procedure in the United States Court of Appeals in proceedings for review of decisions of the Tax Court of the United States.

Such rules shall neither abridge nor enlarge the substantive rights of any litigant.

Such rules shall not take effect until they have been reported to Congress by the Chief Justice at the beginning of a regular session thereof but not later than the 1st day of May, and until the expiration of 90 days after they have been thus reported.

And insert:

The Supreme Court shall have the power to prescribe, and from time to time amend, uniform rules for the filing of petitions, the preparation of records, and the practice, forms, and procedure in the several United States courts of appeals in proceedings for review of decisions of the Tax Court of the United States.

Such rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant.

Such rules shall not take effect until they shall have been reported to Congress by the Chief Justice at the beginning of a regular session thereof, but not later than the 1st day of May, and until the expiration of 90 days after they have been thus reported.

So as to make the bill read:

Be it enacted, etc., That chapter 131 of title 28 of the United States Code be amended by adding at the end thereof a new section, as follows:

"§ 2074. Rules for review of decisions of the Tax Court of the United States.

"The Supreme Court shall have the power to prescribe, and from time to time amend, unform rules for the filing of petitions, the preparation of records, and the practice, forms, and procedure in the several United States courts of appeal in proceedings for review of decisions of the Tax Court of the United States.

"Such rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant.

"Such rules shall not take effect until they shall have been reported to Congress by the Chief Justice at the beginning of a regular session thereof but not later than the 1st day of May, and until the expiration of 90 days after they have been thus reported."

SEC. 2. The chapter analysis of chapter 131 of title 28 of the United States Code immediately preceding section 2071 is amended by adding at the end thereof the following:

"2074. Rules for review of decisions of the Tax Court of the United States."

Mr. BUTLER of Maryland. Mr. President, to the committee amendment I offer two amendments and ask that they be stated.

The PRESIDING OFFICER. The Secretary will state the amendments to the amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 2, line 13, after the word "petitions", it is proposed to insert the words "or notices of appeal", and on line 20, after the word "at", it is proposed to insert the words "or after."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Maryland [Mr. BUTLER] to the committee amendment.

The amendments to the amendment were agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. BUTLER of Maryland. Mr. President, I move that the Senate proceed to the consideration of House bill 1067.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 1067) to authorize the Supreme Court of the United States to make and publish rules for procedure on review of decisions of the Tax Court of the United States.

Mr. BUTLER of Maryland. Mr. President, I move that the House bill be amended by striking out all after the enacting clause and inserting the Senate bill, as amended.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 856 is indefinitely postponed.

ALBINA SICAS

The Senate proceeded to consider the bill (S. 891) for the relief of Albina Sicas, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act", to insert a colon and the following proviso: "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: *And provided further*, That the said Albina Sicas shall be held and considered to be the minor child of her mother, Mrs. Hilda Sicas", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (4) of the Immigration and Nationality Act, Albina Sicas may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: *And provided further*, That the said Albina Sicas shall be held and considered to be the minor child of her mother, Mrs. Hilda Sicas.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REV. ISHAI BEN ASHER

The Senate proceeded to consider the bill (S. 1362) for the relief of Rev. Ishai Ben Asher which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 7, after the word "fee.", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available" and insert "The Attorney General is directed to cancel any outstanding order and warrant for the deportation of Rev. Ishai Ben Asher as well as the deportation proceedings heretofore instituted against him. After the granting of permanent residence to the said Rev. Ishai Ben Asher under the provisions of this act, he shall not hereafter be subject to exclusion or deportation from the United States by reason of any facts upon which the said deportation proceeding was based", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Rev. Ishai Ben Asher shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. The Attorney General is directed to cancel any outstanding order and warrant for the deportation of Rev. Ishai Ben Asher as well as the deportation proceedings heretofore instituted against him. After the granting of permanent residence to the said Rev. Ishai Ben Asher under the provisions of this act, he shall not hereafter be subject to exclusion or deportation from the United States by reason of any facts upon which the said deportation proceeding was based.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HILDEGARD MONTI

The Senate proceeded to consider the bill (S. 1808) for the relief of Hildegard Monti which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act", to insert a colon and the following proviso: "*Provided*, That this exemption shall apply only to a ground of exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Hildegard Monti may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground of exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INVESTIGATIONS BY THE ATTORNEY GENERAL OF CERTAIN OFFENSES

The bill (S. 2308) to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes, was announced as next in order.

Mr. GORE. Over.

Mr. WILLIAMS. Mr. President, will the Senator from Tennessee withhold his objection for a moment?

Mr. GORE. I shall be glad to do so.

Mr. WILLIAMS. Mr. President, in my opinion, this is a very important bill. Under an old existing policy, neither the FBI nor the Department of Justice was permitted to investigate any charge of fraud on the part of an employee of the Treasury Department. Under the previous administration the Treasury Department, based upon some act passed by the Congress, refused to allow the Department of Justice to investigate a charge of fraud or irregularity on the part of any employee of the Treasury Department, even though the charge might involve the acceptance of a bribe. It seems to me that may constitute a very dangerous situation.

The Department of Justice and the Treasury Department have worked out a "gentlemen's agreement" by which they are doing what this bill proposes to validate, but we do not know when there will be another man occupying the position of Secretary of the Treasury similar to the previous one.

I certainly hope, Mr. President, there will be no objection to this most important bill.

Mr. GORE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I shall be glad to yield.

Mr. GORE. I am not quite convinced of the necessity for this proposed legislation. The distinguished Senator from Delaware has just stated that the departments now have authority to do what this bill proposes to effectuate; and the record does not contain any recommendation from either the Department of Justice or the Treasury Department that this proposed legislation should pass. The report does not make a very convincig case for the necessity of the bill.

Mr. WILLIAMS. A letter from the Department of Justice was incorporated in the committee hearings. While the Treasury Department may have certain reservations as to the language, I do not think it will be found there is any objection on the part of the Treasury Department. The Justice Department testified in favor of the bill.

Mr. President, I should like to point out one specific example. About 12 months ago an employee in one of the Treasury Department offices was charged with having accepted a bribe in connection with a certain tax settlement. This employee was in my office and gave a statement which was taken down by a stenographer, in which he named dates, amounts, and so forth, and, in addition to that, named public officials with whom he allegedly split the bribe.

After reporting that case to the Attorney General of the United States, and after persuading this employee that the proper thing for him to do was to go to the Attorney General of the United States and give him his statement I was surprised to find the Attorney General had to call the Secretary of the Treasury to get his permission to take action with reference to one of his employees.

The Treasury is the only department of the Government where that would be necessary. Permission was granted sure but I recall instances under the old regime where such permission was not granted. The Treasury Department insisted on making its own investigations and then deciding whether or not they wanted to prosecute themselves when the corruption hit the high level this meant a complete breakdown of law enforcement.

I think it is a shocking situation that the Attorney General cannot prosecute the employees of one particular Government agency, and cannot act with respect to it as he can act in the case of all other Government agencies.

I shall be glad to get a copy of the letter from the Department of Justice supporting this bill and have it incorporated in the RECORD if the Senator from Tennessee wishes me to do so.

Mr. GORE. First, I wish to compliment the Senator upon his diligence in this matter. I hold him in very high regard and applaud his many efforts to prevent abuses. If any such fault as he has indicated exists in the law, I think it is proper to remove it; but I do not quite square the statement the Senator has just made with the statement he made earlier, that the two departments have now worked out a gentlemen's agreement whereby they are doing what the Senator proposes they should do by law.

Mr. WILLIAMS. The reason why I made my statement in that way is that the former Secretary of the Treasury based his decision upon a section of a certain law which was passed, I think, in 1949. After the situation which I have just described was called to the attention of the Attorney General, both his office and the office of the Secretary of the Treasury decided it was a rather farfetched opinion which was rendered in the first place and they questioned that it was ever the intention of the Congress that such an interpretation should be placed on the law. This interpretation was based on Title XVIII, section 305 (6) of the law relating to the Secret Service, involving the question of the arrest of any person violating any law of the United States directly concerned with official matters administered or under the direct control of the Treasury Department. It was upon that rather ambiguous language that the then Secretary of the Treasury based his decision.

Both the Department of Justice and the Treasury Department have said that since such a decision, hinging upon this particular provision had been made, it might be more proper to strike out this particular language of the law, and to spell out, in affirmative language, that it was the intention of Congress that the Department of Justice should have the right to investigate any charge of fraud or irregularity on the part of any employees of the Treasury Department, in the same manner the right of the Department of Justice has been recognized in connection with all other departments.

The PRESIDING OFFICER (Mr. UPTON in the chair). Under the rule, the time of the Senator from Delaware has expired.

Mr. GORE. Mr. President, reserving the right to object, does not the distinguished senior Senator from Delaware believe that in view of the importance of the proposed legislation, and considering that it is proposed to have the bill pass on the unanimous-consent calendar, and also because of the custom of the Senate to require reports by the departments concerned and also the Bureau of the Budget, it would be reasonable to let the bill wait until we have received the letter to which the Senator has referred, and which he says he can supply?

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the Senator fram Delaware may speak for an additional 5 minutes.

The PRESIDING OFFICER. Without objection——

Mr. GORE. I am yielding to the Senator from Delaware.

Mr. WILLIAMS. I suggest that the bill go to the foot of the calendar. I will procure the letter from the Department of Justice, in which the department recommends the measure. The recommendation was incorporated in the committee report, and the committee did not think it necessary to print the hearings. But I shall be glad to obtain the letter and submit it to the Senator from Tennessee.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER of Maryland. A subcommittee of the Committee on the Judiciary held public hearings on the bill on January 28 and March 10, 1954. At that time, representatives appeared on behalf of the Department of Justice, the Treasury Department, and the Post Office Department.

Mr. WILLIAMS. I think I am correct in saying—and the Senator from Maryland can correct me if I am not—that the bill was unanimously approved by the subcommittee and by the full Committee on the Judiciary after the hearings had been held.

Mr. BUTLER of Maryland. The Senator from Delaware is correct.

Mr. GORE. The report does not indicate the hearings to which the distinguished Senator from Maryland has made reference. That being true, and the approval of all three agencies having been indicated, I withdraw my objection, so that the bill may now be passed.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2308) to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have

authority to investigate any violation of title 18, United States Code (including without limitation bribery or attempted bribery, extortion or conspiracy, embezzlement, fraud against the Government, or other crimes against the United States), involving Government officers and employees. Any information, allegation, or complaint received in any department or agency of the executive branch of the Government relating to said violations involving Government officers and employees shall be expeditiously reported to the Attorney General by the head of such department or agency, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law, or unless the Attorney General otherwise directs with respect, as to any department or agency of the Government, to any specified class of information, allegation, or complaint.

SEC. 2. Section 3056 of title 18, United States Code, is amended by striking out the following: "detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANTONINO CANGIALOSI (OR ANTHONY CONSOLA)

The bill (H. R. 1148) for the relief of Antonino Cangialosi (or Anthony Consola) was considered, ordered to a third reading, read the third time, and passed.

MANFRED SINGER

The bill (H. R. 4056) for the relief of Manfred Singer was considered, ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF JEFFERSON NATIONAL EXPANSION MEMORIAL AT SITE OF OLD ST. LOUIS, MO.—BILL PASSED OVER

The bill (H. R. 6549) to provide for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. By request, I ask that the bill go over.

Mr. HENNINGS. Mr. President——

Mr. HENDRICKSON. I withhold my objection, if the Senator from Missouri wishes to be heard.

Mr. HENNINGS. If the distinguished Senator from New Jersey proposes to object, I presume my explanation would not be in order.

Mr. HENDRICKSON. I said that by request I asked that the bill go over. But certainly I shall withhold the objection.

Mr. HENNINGS. Mr. President, will the Senator from New Jersey yield for a question?

Mr. HENDRICKSON. I gladly yield to the distinguished Senator from Missouri for a question.

Mr. HENNINGS. I desire to ask the distinguished Senator at whose request the objection was being made.

Mr. HENDRICKSON. At the request of the distinguished Senator from Michigan [Mr. POTTER].

Mr. HENNINGS. I observe the distinguished Senator from Michigan in the Chamber.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. HENNINGS. I am glad to yield.

Mr. POTTER. I was requested by the distinguished Senator from New Jersey to state what action had been taken on the bill by the Committee on Rules and Administration. I believe I am correct in stating that the bill was reported by that committee, of which I am a member, but that the chairman of the committee showed some reluctance or was opposed to the passage of the bill. I am not certain of his position. Therefore, I ask that the bill go over until the chairman of the committee can have an opportunity to consider it.

Mr. HENNINGS. I appreciate the courtesy of the Senator from Michigan in explaining his view of the matter. I may say that the chairman of the committee was presiding at the time the bill was considered by the committee, and I was present. There was no objection whatever. It was unanimously reported by the Committee on Rules and Administration.

I might say further that the bill is of the greatest importance to the city of St. Louis and to the State which I have the honor in part, to represent. I do not wish to question the information of the Senator from Michigan, but the chairman of the committee, the distinguished Senator from Indiana [Mr. JENNER], was present and voted with all other Senators to report the bill. I can assure the Senator from Michigan that I was directed by the chairman himself to report the bill.

Mr. POTTER. Mr. President, I ask that the bill go to the foot of the calendar, so that I may have an opportunity to ascertain the position of the chairman.

Mr. HENDRICKSON. Mr. President, before that occurs, will the distinguished Senator from Missouri yield for a question?

Mr. HENNINGS. I am glad to yield for a question.

Mr. HENDRICKSON. Will the distinguished Senator from Missouri inform the Senate what costs are involved in the bill?

Mr. HENNINGS. The bill involves $5 million, to be appropriated, I may say to the Senator from New Jersey, subject to a balanced Federal budget. I read from the committee report, as follows:

Subject to a balanced Federal budget, this bill will authorize the expenditure of not more than $5 million to begin and complete 5 out of 9 elements of the memorial, located within the business district of the city of St. Louis, Mo., alongside the Missouri River, for which the site already has been acquired and the buildings thereon razed.

Mr. HENDRICKSON. What amount has been invested in the memorial to date by the city of St. Louis and the Federal Government?

Mr. HENNINGS. The people of St. Louis have invested $2,250,000, and the sum of $6,750,000 of Federal money was set aside in 1935 from emergency funds. The Secretary of the Interior was instructed to use such sum to acquire and develop the site of the St. Louis historical center.

Mr. HENDRICKSON. So the total cost to the Federal Government would be approximately $11 million; is that correct?

Mr. HENNINGS. The Senator from New Jersey is substantially correct. I thank him for his inquiry.

Mr. MARTIN. Mr. President, will the Senator yield for an observation?

Mr. HENNINGS. If I have the floor, I shall be glad to yield.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. MARTIN. Mr. President, I should like to observe that in this critical period in the history of America, one of the things which we must do is to preserve our historic shrines. This shrine at St. Louis is one of the very important ones of the United States. One of the most important expeditions ever to be conducted started from this point.

The people of St. Louis have spent an enormous amount of money to acquire the land around the old courthouse. I visited the site last year, during the convention of the American Legion. I think this site ought to be developed as a shrine. Instead of our spending so much money abroad upon various doubtful projects, I believe we should take care of things like this at home. I am fully in accord with the position taken by the distinguished Senator from Missouri.

Mr. HENNINGS. I thank the distinguished Senator from Pennsylvania for his observation. I know that during his long career, both as Governor of his State and now as United States Senator, he has been a supporter not only of this project, but also of other historic sites, and their development.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. HENNINGS. I yield.

Mr. SCHOEPPEL. Over what period of time, or how soon, would the appropriation of $5 million be required?

Mr. HENNINGS. I may say to the distinguished Senator from Kansas that under the terms of the authorization, no appropriation whatever would be made until the Federal budget was balanced.

Mr. SCHOEPPEL. I may say very frankly to the Senator from Missouri that I have received objections to the consideration of the measure because of the cost which is involved, not because of the overall historical values, which are, I am sure, recognized. But because of the strain and stress of the times and

the conditions under which we are living, I question whether the measure should be passed at this time. I desire to have an opportunity to look into the question, with reference to the objections I have received, before I should wish to have the bill passed today on the call of the calendar. The bill could be passed over until the next calendar call. Would the Senator from Missouri have any objection to that?

Mr. HENNINGS. I appreciate the concern of the distinguished Senator from Kansas. The matter has been dragging along since I first became a Member of the House of Representatives in 1935. At that time Representative Lambertson, of Kansas, was the primary objector to the whole project, the so-called Jefferson Memorial. That was 20 years ago.

At last the people of St. Louis have managed to have the bill pass the House and considered and reported by the Committee on Rules and Administration of the Senate. I introduced a similar bill last year. Finally the committee reported the House bill.

Of course, we can again go through the same procedure, allow the development of this area to be kept in a state of uncertainty and suspense, and dislocate all the efforts of the city of St. Louis to proceed with its program of urban redevelopment.

There is always objection to the spending of money, and sometimes legitimately so. I am well aware of that. This bill involves not an appropriation but an authorization of $5 million. Some parts of the project have been eliminated, and not one cent will be appropriated until the Federal budget is in balance.

I hope the Senators will at least give us the opportunity of having an authorization so that St. Louis, which in size is the eighth city in the Nation, can go ahead with the development of the vast area along the riverfront—82½ acres—which has remained undeveloped and has had a damaging effect on the business district of the city for 20 years, ever since the Federal Government acquired the property.

Mr. SCHOEPPEL. I am sure the Senator from Missouri understands that the Senator from Kansas does not have in mind any obstructionist tactics, but I do wish to check it, and surely there would be no objection to my having an opportunity to do so between calendar calls.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, I object.

The PRESIDING OFFICER. There being objection, the bill will go over.

YEA-AND-NAY VOTES ON RATIFICATION OF TREATIES—RESOLUTION PASSED OVER

The resolution (S. Res. 207) requiring a yea-and-nay vote on the question of advising and consenting to the ratification of treaties, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. GORE. Over.

The PRESIDING OFFICER. The resolution will be passed over.

BILL PASSED OVER

The bill (H. R. 6342) to amend the Public Building Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes, was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

EXTENSION OF EMERGENCY FOREIGN MERCHANT VESSEL ACQUISITION—BILL PASSED OVER

The bill (S. 2371) to extend emergency foreign merchant vessel acquisition and operating authority of Public Law 101, 77th Congress, and for other purposes, was announced as next in order.

Mr. GORE. Over.

Mr. BUTLER of Maryland. Mr. President——

Mr. GORE. I withhold my objection.

Mr. BUTLER of Maryland. May I ask the Senator who is objecting to the bill?

Mr. GORE. Mr. President, I make it a rule not to disclose on the floor of the Senate the name of the Senator making the objection, as requested by the Senator from Maryland.

Mr. BUTLER of Maryland. I shall not insist that the name of the Senator making the objection be disclosed on the floor, but I should like to know.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the bill.

There being no objection, the explanatory statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER OF MARYLAND

The purpose of the bill is to make permanent certain provisions of Public Law 101, 77th Congress, as amended, which will give to the Secretary of Commerce in time of national emergency the authority to requisition, purchase, or charter foreign merchant vessels lying in United States waters.

The bill involves two distinct rights of a sovereign nation under international law: first, the right of angary, which is a right deriving from the law of war; secondly, the right which every sovereign State possesses of seizing in case of emergency, and subject to compensation, any foreign property within its jurisdiction.

The effective period of this bill is "triggered" to any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended. Said section 902 defines this period as—

"Whenever the President shall proclaim that the security of the national defense makes it advisable or during any national emergency declared by proclamation of the President."

It lasts until it is terminated by a further proclamation by the President.

The provisions of this bill were contained in Public Law 101, 77th Congress, which was approved June 6, 1941. This law was extended to July 1, 1953, by the Emergency Powers Continuation Act of 1952 and Public Law 12, 83d Congress, but was not extended by the Continuation Act of June 30, 1953, in view of the pending of the proposal to extend it permanently by this separate measure.

The bill, if enacted, would provide permanent statutory authority and procedures for the taking or acquisition and utilization of foreign immobilized vessels in our ports and for the voluntary purchase or charter and utilization of other non-citizen-owned vessels. Obviously, as a matter of security insurance and full mobilization authority, the United States Government in time of war or full mobilization should have complete powers to utilize vessels to the fullest advantage. There should be no delay or hindrance in meeting any critical need for vessels at such time. Even the breaking out of ships from the reserve fleet requires a few days at the minimum, so that the acquisition or chartering of vessels already in operation could supply useful tonnage in a matter of hours as contrasted with a matter of days—a critical advantage in meeting sudden hostile action.

The enactment of this measure into law was requested by the Department of Commerce. The Department of State and the Department of Defense have no objection to it. An identical companion bill was unanimously and favorably reported without amendment by the House Committee on Merchant Marine and Fisheries. It was unanimously approved by our Subcommittee on Water Transportation.

The committee did not find it necessary or expedient to hold hearings upon this bill, as it is not a controversial measure. The governmental agencies primarily interested favor its enactment and no agency objects to it. As this bill pertains to merchant vessels "not owned by citizens of the United States," the only other witnesses who might be interested would be foreigners and, as nations generally recognize the right under international law to seize such ships, they would have no case to present.

The committee was familiar with the Congress' reluctance generally to provide standby war and emergency powers on a piecemeal basis. However, there must be reasonable exceptions to this policy. There are several such emergency powers that the Congress did not feel it could chance the risk of waiting for a more convenient time to enact into law. For instance, in 1950, the Congress enacted Public Law 763, 81st Congress, to provide standby authority for the Government to insure our merchant vessels against war risks in the event of an emergency. That was found necessary to assure continued operation of merchant ships during war or an emergency.

If war were declared today, or worse still, while Congress is out of session, the President of the United States or the Secretary of Commerce would be without express power to seize the vessels of foreigners in our ports. Before a law could be passed, obviously many of these ships would sneak out of our ports. This is a ridiculous situation for our Nation to be in.

There are Senators who would like to see all these emergency laws consolidated and enacted as a single piece of legislation. This would undoubtedly be desirable for many reasons. However, the provisions of this bill could be repealed at such time as they would be included in such a general law. We cannot afford to take the risk of leaving the provisions of this bill out of our statute books, as they have been since June 30, 1953.

83D CONGRESS
2D SESSION

S. 2308

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 1954

Referred to the Committee on the Judiciary

AN ACT

To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code (including without limitation bribery or attempted bribery, extortion or conspiracy, embezzlement, fraud against the Government, or other crimes against the

United States), involving Government officers and employees. Any information, allegation, or complaint received in any department or agency of the executive branch of the Government relating to said violations involving Government officers and employees shall be expeditiously reported to the Attorney General by the head of such department or agency, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law, or unless the Attorney General otherwise directs with respect, as to any department or agency of the Government, to any specified class of information, allegation, or complaint.

SEC. 2. Section 3056 of title 18, United States Code, is amended by striking out the following: "detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department;".

Passed the Senate April 5, 1954.

Attest: J. MARK TRICE,

Secretary.

83D CONGRESS
2D SESSION

S. 2308

AN ACT

To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

APRIL 6, 1954
Referred to the Committee on the Judiciary

H. R. 6790, providing that the rate of compensation of the Chairman of the Council of Economic Advisers shall be $17,500 annually (H. Rept. 2581);

H. R. 9769, to amend the Federal Trade Commission Act so as to restrict certain automobile dealers (H. Rept. 2582);

H. R. 9921, to amend title 18, U. S. Code, so as to protect the name of the Federal Bureau of Investigation from commercial exploitation (H. Rept. 2583);

Conference report on H. R. 2236, to establish a Commission on Problems of the Greater Washington Area (H. Rept. 2584);

H. R. 9916, to amend the Federal Trade Commission Act relating to unfair competition in the sale of automobiles and other manufactured products (H. Rept. 2585);

H. R. 9917, to amend the Federal Trade Commission Act relating to unfair competition in the sale of automobiles and other manufactured products (H. Rept. 2586);

Proceedings against Paul Dorfman (H. Rept. 2587); and

Proceedings against Allen Dorfman (H. Rept. 2588).

Pages 12250–12251

Texas City Disaster: Passed with two clarifying amendments H. R. 9785, to provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex. Pages 12143–12147

Railroad Retirement: Adopted committee amendments and passed, 360 yeas to no nays, H. R. 7840, to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act. This legislation is designed to bring retirement benefits more in line with current economic conditions.

H. Res. 660, the rule under which the bill was considered, was adopted earlier. Pages 12147, 12149–12180

Merchant Marine Academy: Passed by a voice vote H. R. 9434, to amend section 216 (b) of the Merchant Marine Act of 1936, as amended, to provide for the maintenance of the Merchant Marine Academy. Adopted a committee amendment relating to filling of vacancies by the appointment of cadets by the Secretary of Commerce.

H. Res. 661, the rule for the consideration of the legislation, was adopted previously by a voice vote.

Pages 12182–12184

Hardboard Imports: Passed, 235 yeas to 109 nays, H. R. 9666, to amend section 1001, paragraph 412, of the Tariff Act of 1930, with respect to hardboard, after adopting a committee substitute amendment.

The purpose of H. R. 9666 is to classify what has become generally known as hardboard under paragraph 412, the "Wood and manufactures of" schedule, of the Tariff Act of 1930. Pages 12184–12193

Adjournment: H. Con. Res. 266, providing for the sine die adjournment of the 2d session of the 83d Congress on July 31, was adopted by a record vote of 180 yeas to 167 nays. Pages 12193–12194

Reclamation—Oregon: Adopted committee amendments and passed H. R. 8384, to authorize the Secretary of the Interior to construct, operate, and maintain the Talent division of the Rogue River Basin reclamation project, Oregon, by a rollcall vote of yeas 163 to 144 nays.

H. Res. 654, the rule for the consideration of H. R. 8384, was previously adopted. Pages 12201–12211

Contempt Citations: Adopted by voice votes the following two resolutions citing witnesses for contempt of the House of Representatives by refusal to answer questions before the Committee on Education and Labor:

H. Res. 693, citing Paul Dorfman; and

H. Res. 694, citing Allen Dorfman. Pages 12213–12226

Palo Verde Project: Passed by a voice vote H. R. 8498, to authorize the construction of a dam across the Colorado River to reestablish for the Palo Verde Irrigation District, California, a means of diversion of its irrigation water supply from the Colorado River.

H. Res. 653, providing for the consideration of the bill, was adopted earlier. Pages 12226–12230

Capitol Food Service Facilities: Adopted H. Res. 692, providing for a survey and report on the food service facilities of the House of Representatives by the Clerk of the House, prior to January 1, 1955. Pages 12230–12231

Merchant Marine: Considered and passed by a voice vote H. R. 9987, to amend certain provisions of title XI of the Merchant Marine Act of 1936, as amended, to facilitate private financing of new ship construction.

Pages 12231–12234

Resolutions Referred: Three Senate-passed concurrent resolutions were referred to appropriate committees.

Page 12250

Program for Tuesday: Adjourned at 8:09 p. m. until Tuesday, August 3, at 12 o'clock noon. For program see Congressional Program Ahead in this DIGEST.

Committee Meetings

FARM LOANS—CORN SALES

Committee on Agriculture: Considered S. 3339, and related House bills, which would authorize the Farm Credit Administration to make loans of the type formerly made by the Land Bank Commissioner. Testimony on the proposal was received from Dr. Carl Colvin, Deputy Governor, Farm Credit Administration; R. B. McLeaish, Administrator, Farmers' Home Administration; and Representatives Fernandez, Dempsey, and Senator Anderson, all of New Mexico. In executive session, a motion to report the bill to the House was not adopted.

The committee also discussed H. J. Res. 563, relating to corn sales by the Commodity Credit Corporation.

Agreed to continue subject Monday morning in order to receive information from departmental officials.

SCHOOL CONSTRUCTION

Committee on Education and Labor: The Kearns subcommittee resumed executive deliberation on H. R. 10052, to authorize a $5 billion public-school construction program over the next 3 years. The measure is scheduled for further consideration tomorrow morning and Monday afternoon.

FREEDOM OF RELIGION

Committee on Foreign Affairs: An ad hoc subcommittee, on H. J. Res. 575, to reaffirm the rights of the people of the world to freedom of religion, approved the measure for reporting to the full committee.

MILITARY OPERATIONS

Committee on Government Operations: Officials and representatives of the Department of Defense testified today before the Riehlman subcommittee in connection with actions taken by the armed services in connection with recommendations and conclusions furnished by the subcommittee as a result of studies made in military operations.

DUCK STAMPS

Committee on Interior and Insular Affairs: The D'Ewart Subcommittee on Public Lands heard further testimony today relative to its study of the administration of the Migratory Bird Stamp Act. Meeting with the group were John L. Farley, Director of the Fish and Wildlife Service, and J. Clark Salyer, 2d, Chief of the Branch of Wildlife Refuges, in the Service. Other witnesses were C. R. Gutermuth and Carl Shoemaker, vice president and counsel, respectively, of the National Wildlife Management Institute, Washington, D. C.

FBI—FEDERAL OFFENSES—COPYRIGHTS

Committee on the Judiciary: Ordered the following bills reported to the House—

H. R. 9921, to amend title 18, U. S. Code, so as to protect the name of the Federal Bureau of Investigation from commercial exploitation;

S. 2308, amended, to authorize and direct the investigation, by the Attorney General, of certain offenses against the Federal Government; and

H. R. 6616, amended, to amend title 17 of the U. S. Code, entitled "Copyrights," relating to the Universal Copyright Convention.

INVESTIGATIONS

Committee on the Judiciary: Subcommittee No. 1 approved for reporting to the full committee S. 2308, to authorize and direct the investigation by the Attorney General of certain offenses against the Government.

MAIL ROUTES—EMPLOYEES' INSURANCE

Committee on Post Office and Civil Service: Ordered the following bills reported to the House—

H. R. 6790, amended, fixing the rate of compensation of the Chairman of the Council of Economic Advisers;

S. 361, to provide for renewal of and adjustment of compensation under contracts for carrying mail on water routes; and

S. 3681, authorizing the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service.

The committee also approved the third intermediate report of the St. George Subcommittee on Postal Operation. It will be printed as a House document.

MISSOURI TOLL BRIDGE

Committee on Public Works: Ordered reported favorably to the House H. R. 8651, regarding toll adjustments to be charged in operation of the bridge across the Des Moines River at or near St. Francisville, Mo.

The committee also discussed amendments of the Senate to the omnibus rivers and harbors–flood-control bill (H. R. 9859).

COMMUNISM

Committee on Un-American Activities: Heard Prof. Wilbur Lee Mahaney, Jr., a schoolteacher of Philadelphia, Pa., who returned voluntarily today and furnished complete information and details regarding his membership in the Communist Party between 1936 and 1946. The witness had been cited for contempt of Congress for his failure to answer pertinent questions about his communistic affiliations during a hearing by the same committee last May 11. During interrogation by Committee Counsel Kunzig, Mahaney gave all particulars, as he knew them, of other party members, places of meeting, and accounts of proceedings. The committee emphasized that no reward had been promised the witness as a result of today's voluntary appearance.

TAX DEDUCTIONS—EXPENSE ACCOUNTS

Committee on Ways and Means: The Subcommittee on Administration of the Internal Revenue Laws met again today with T. Coleman Andrews, Internal Revenue Commissioner. Mr. Andrews completed the account, started at yesterday's session, of the work being done by the Revenue Service to prevent the practice of deductions for travel and entertainment expenses and various types of excessive expense accounts. He emphasized the demands being made by the Service to acquaint such taxpayers with the importance of keeping reasonable records and determining their liabilities.

Joint Committee Meetings

ECONOMIC STATISTICS

Joint Committee on the Economic Report: Subcommittee on Economic Statistics met in executive session for the consideration of a progress report, but made no announcements and adjourned subject to call.

83D CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
No. 2622

AUTHORIZING AND DIRECTING THE INVESTIGATION BY THE ATTORNEY GENERAL OF CERTAIN OFFENSES

AUGUST 4, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GRAHAM, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 2308]

The Committee on the Judiciary, to whom was referred the bill (S. 2308) authorizing and directing the investigation by the Attorney General of certain offenses, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

1. On page 1, line 9, after the words "United States Code", strike out the language appearing in parentheses through line 1 on page 2, including the words "United States)".

2. On page 2, line 12, after the words "or complaint", strike out the period and insert the following:

: *Provided,* That the provisions of this section shall not apply to any person or offense over which the Armed Forces have exclusive jurisdiction under the Uniform Code of Military Justice except as hereafter expressly agreed by regulations between the Secretary of Defense and the Attorney General: *Provided further,* That the provisions of this section shall not limit, in any way, the primary authority of the Postmaster General to investigate postal offenses.

PURPOSE OF THE BILL

The purpose of the proposed legislation is to set out the necessary authority for the Attorney General and the Federal Bureau of Investigation to investigate alleged irregularities on the part of Government officers and employees and to require the reporting by the departments and agencies of the executive branch to the Attorney General of information coming to their attention concerning any alleged irregularities on the part of officers and employees of the Government.

The purpose of the amendments is to preserve certain investigative authority now vested in the United States Armed Forces under the Uniform Code of Military Justice and in the Postmaster General.

GENERAL INFORMATION

This legislation would put to rest the jurisdictional conflict of authority which has existed for many years whereby it has been held that the Attorney General and the Federal Bureau of Investigation lacked authority to investigate any alleged irregularities on the part of employees in the Treasury Department.

The committee is informed that under the policy as adopted under preceding administrations when any alleged irregularity involving employees of the Treasury Department was called to the attention of the Attorney General or the Federal Bureau of Investigation, the only action they could take under the then existing policy was to refer the charges to the Treasury Department with the suggestion that they investigate themselves, and if the investigation disclosed any irregularities, then the Treasury Department would refer back the case to the Department of Justice for prosecution.

The committee is further advised that on occasion under preceding administrations the Treasury Department has refused to permit the Federal Bureau of Investigation to interview Treasury Department personnel and denied to the Federal Bureau of Investigation information from the public records in the Treasury Department during attempted investigations by the Federal Bureau of Investigation into allegations of bribery, fraud, and similar offenses by Treasury Department officers or employees against the integrity of the United States Treasury Department. The committee is of the opinion that this bill, as amended, will prevent such situations from arising again.

During the past 6 months, the Department of Justice and the Treasury Department have been attempting by agreement to settle the differences which had given rise to the jurisdictional conflicts which this bill seeks to eliminate.

The committee wishes to point out that any agreement which might be entered into between the Justice and Treasury Departments could, in the absence of legislation, be unilaterally terminated or abrogated at any future time.

Section 1, as amended, of this legislation emphasizes by statute that the Attorney General, as the chief law enforcement officer of the Government, has the authority to investigate any violation of the criminal statutes involving Government officers and employees. The bill provides that all complaints and information concerning violations of title 18 of the United States Code involving Government officers and employees be reported to the Attorney General unless the responsibility for performing such investigation has been specifically conferred upon the agency itself by existing law, or the Attorney General otherwise directs.

Senator Williams, the sponsor of this legislation, in testifying before a subcommittee of the Senate Committee on the Judiciary at a hearing on January 28, 1954, stated:

> It is not the purpose of this bill to set up the Federal Bureau of Investigation as a super-Gestapo over Government employees. It is intended merely to allow the Department of Justice when allegations are submitted to them regarding possible fraud or criminal actions on the part of employees in any Government agency to investigate such charges and, if necessary, to prosecute.

This bill by its terms does not limit the present authority of any agency to investigate any matter within its own jurisdiction. This legislation is not to be construed to disrupt investigative powers or

established procedures of any ageney or department, or to interfere with the traditional investigative activities of any department or agency. All this bill seeks to do is to insure, when necessary, that the Attorney General has the authority, upon the basis of information or eomplaint, to go into any ageney to investigate alleged irregularities on the part of Government offieers and employees. If the Attorney General or the Federal Bureau of Investigation undertakes sueh investigation, they should have eomplete eooperation from the department or ageney eoneerned.

Section 2 of the proposed legislation further sets this jurisdietional conflict to rest by deleting the language of Publie Law 79 of the 82d Congress, from whieh language the interpretation has arisen that the Federal Bureau of Investigation has not the authority to investigate irregularities on the part of Treasury offieers and employees. The deleted language is as follows:

detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department.

The Department of Justiee expressed its views on this legislation in the following letter:

JUNE 22, 1954.

Hon. CHAUNCEY W. REED,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice relative to the bill (S. 2308) to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

As indicated in its title, the bill is intended to eliminate jurisdictional conflicts such as have on occasions in the past resulted in the inability of the Federal Bureau of Investigation to gain access to records and other information necessary to the investigation of alleged activities of Government officers and employees in violation of criminal laws pertaining to them.

Section 1 would provide that notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code, involving Government officers or employees. It would require executive agencies and departments of the United States expeditiously to report to the Attorney General information relating to such violations, unless the responsibility to perform any investigation, with respect to information, allegation or complaints received, is specifically otherwise assigned by another provision of law or unless the Attorney General otherwises directs with respect, as to any department or agency of the Government, to any specified class of information, allegation or complaint.

Section 2 of the bill would specifically set to rest any jurisdictional question which has resulted from the amendment of section 3056 of title 18, United States Code, by Public Law 79 of the 82d Congress. The language of that amendment has on occasion been interpreted as depriving the Federal Bureau of Investigation of authority to investigate irregularities on the part of officers and employees of the Treasury Department.

The Department of Justice urges the prompt enactment of the measure, for such legislation will emphasize the congressional intent that the chief law-enforcement officer of the Government is to have free access to all units thereof for the purpose of ferreting out personnel criminally violating their trusts and oaths of office.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

WILLIAM P. ROGERS,
Deputy Attorney General.

The views of the Treasury Department are contained in the following letter:

JULY 1, 1954.

Hon. CHAUNCEY W. REED,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Reference is made to your request of June 22 for the views of this Department on S. 2308, to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

The first sentence of section 1 of the bill would specifically confirm the present authority of the Attorney General and the Federal Bureau of Investigation to investigate cases of criminal misconduct involving Federal employees. It would also specifically confirm the present authority of other agencies to make investigations in those cases. Since the provision thus set out is declaratory of existing law, the Treasury Department would have no objection to its enactment.

The second sentence of section 1 of the bill would require each agency head to report to the Attorney General any information, allegation or complaint received in the agency of employee criminal misconduct, unless investigation with respect thereto is specifically assigned to some other agency or unless the Attorney General otherwise directs. Such a requirement is not presently specified in the law. The provision does conform, however, with a working arrangement which the Treasury Department has agreed, subject to the making of the necessary budgetary arrangements, to establish between it and the Department of Justice. While the Treasury Department has expressed the view that a procedure such as this is more appropriately a matter for arrangement between department heads responsible for the proper functioning of their respective departments, the Treasury Department interposes no objection to the provision.

Section 2 of the bill would repeal a clause contained in Public Law 79, 82d Congress, which sets out certain authority the Secret Service has had in substantially similar terms since 1922. After Public Law 79 was enacted, the impression gained some prevalence that the particular clause deprived the FBI of investigative authority it had previously had. The purpose of the enactment of the clause in permanent law was to make unnecessary its inclusion in each annual appropriation act, where it had been included for many years only to make Secret Service appropriations available for expenditures that would otherwise have been properly charged to some other Treasury appropriation. It is the belief of the Treasury Department that enactment of Public Law 79 did not deprive the Federal Bureau of Investigation of authority to make investigations of criminal misconduct of employees of the Treasury Department. However, the provision has been the center of so much controversy that the Department will not interpose an objection to its repeal.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

H. CHAPMAN ROSE,
Acting Secretary of the Treasury.

On July 7, 1954, the Department of Defense expressed its views as follows:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington 25, D. C., July 7, 1954.

Hon. CHAUNCEY W. REED,
Chairman, Committee on the Judiciary,
House of Representatives.

DEAR MR. CHAIRMAN: The Department of Defense desires to present its views to the committee on the Judiciary concerning S. 2308, a bill to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

This proposal as it was first passed by the Senate, provides that notwithstanding any other provision of law, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code. The heads of the executive departments and agencies are required to report expeditiously to the Attorney General any information received by them concerning such violations which involve Government officers and employees, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law.

The Department of Defense believes that the language of this proposal is not clear as to whether the Federal Bureau of Investigation would be authorized to investigate, without the knowledge and consent of the commanding officer, violations of title 18, United States Code, by military personnel on military reservations. In addition, it would be possible to interpret the bill so as to require the armed services to report to the Attorney General violations of title 18 of the United States Code by military personnel. This Department believes that it is essential for the armed services to retain independent disciplinary control over their personnel and, therefore, recommends that the uncertainty as to the applicability of the proposal to the military services be resolved by an amendment exempting the armed services from its provisions.

It is recommended that the following additional section be added to the bill:

"SEC. 3. This act does not apply to any person or offense over which the Armed Forces have exclusive or concurrent jurisdiction under the Uniform Code of Military Justice."

Subject to the foregoing the Department of Defense would interpose no objection to S. 2308 as it originally passed the Senate.

Time has not permitted the Department of Defense to clear this report with the Bureau of the Budget.

Sincerely yours,

ROBERT TRIPP ROSS
(For the Assistant Secretary).

The views of the Department of Defense were modified in a letter, dated July 22, 1954, which reads as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington 25, D. C., July 22, 1954.

Hon. CHAUNCEY W. REED,
Chairman, Committee on the Judiciary,
House of Representatives.

DEAR MR. CHAIRMAN: In my letter of July 7, 1954, the Department of Defense recommended an amendment to S. 2308, a bill to authorize and direct the investigation by the Attorney General of certain offenses and for other purposes. At that time clearance with the Bureau of the Budget had not been obtained.

Since then the Department of Defense has received the approval of the President and the concurrence of the Attorney General to a proposed amendment to S. 2308. It is as follows on page 2 of S. 2308, print dated April 6, 1954, after the period add the following language:

"The provisions of this section shall not apply to any person or offense over which the Armed Forces have exclusive jurisdiction under the Uniform Code of Military Justice except as hereafter expressly agreed by regulations between the Secretary of Defense and the Attorney General."

The Department of Defense strongly urges favorable consideration of this amendment by your committee.

Sincerely yours,

FRED A. SEATON.

The Postmaster General reported on S. 2308 on July 21, 1954, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington 25, D. C., July 21, 1954.

Hon. CHAUNCEY W. REED,
Chairman, Committee on the Judiciary, House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request for a report on S. 2308, as passed by the Senate on April 5, 1954, entitled "To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes."

The purpose of S. 2308 is to vest authority in the Attorney General and in the Federal Bureau of Investigation to investigate alleged irregularities on the part of officers and Government employees unless the responsibility of performing investigations "is specifically otherwise assigned by another provision of law."

While this Department appreciates and recognizes the splendid investigative work performed by the Federal Bureau of Investigation over the years, I am considerably disturbed by the all-inclusive provisions of this bill.

The Post Office Inspection Service is the oldest investigative agency in the Federal Government. In fact, it is older than the Nation, dating back to 1777 when the Continental Congress authorized the appointment of post-office "sur-

veyors." Benjamin Franklin was the first inspector, although he called himself a "surveyor of the post." Through the years the Inspection Service has investigated successfully and brought to justice thousands of violators of the criminal laws affecting the postal service. However, the investigation of violations by officers and employees of the Post Office Department and postal field service is not "specifically otherwise assigned by another provision of law" to the Post Office Inspection Service. The laws applicable to the Post Office Department merely authorize the appointment of inspectors. Accordingly, all crimes, coming within the amendment, would have to be reported to the Department of Justice. No other group of investigators can perform the required investigation with respect to postal employees as logically, economically, or expeditiously as it can be done by post-office inspectors.

Any construction of section 1 requiring reference to the Department of Justice before investigation of "any information, allegation or complaint" could not fail to have a retarding effect on law enforcement. Action on hundreds of thousands of complaints of loss and mistreatment of mail and other offenses would be delayed, and effective administration impeded. Mere "reporting" would be an onerous task in itself.

Title 18, United States Code, includes offenses which can be investigated effectively only by persons trained in postal operations and mail handling procedures. To cite only one example, the investigation of thefts of mail by postal employees demands familiarity with the routing and flow of mail through letter-carrier routes, large and small post offices, railroad, airplane, truck, and steamship routes; the method and timing of the assignment of personnel to varying kinds of work and tours of duty; the location and method of utilizing technical equipment and facilities; and the interior layout of postal quarters. It is because of the presence of such factors as these that a single investigation as now made by this Department can serve all of the following purposes.

(1) To provide a basis for personnel actions ridding the service of unworthy employees.

(2) To effect recovery of money and property due to the public and to the owners of mail.

(3) To point out opportunities for guarding against recurrence of offenses and for improving operations.

(4) To provide facts and evidence on which the Attorney General and the district attorneys under his jurisdiction can decide for or against institution of criminal prosecutions.

It has always been a requirement of the postal service that postal law violations be reported to the Attorney General or to the respective district attorneys under his jurisdiction for decision by them whether to prosecute. No objection exists to a statutory provision to this effect.

The legislative history of S. 2308, as set out in Senate Report No. 1079, shows the bill is not directed toward any conditions which exist or have existed in the Post Office Department and that "this legislation is not to be construed to disrupt investigative powers, or established procedures of any agency or department, or to interfere with the traditional investigative activities of any department or agency." In his remarks with respect to the amendment to H. R. 8300 to include language identical to S. 2308 (pp. 9050 to 9051 of the Congressional Record of July 1, 1954), Senator Williams refers to investigations of alleged irregularities on the part of employees in the Treasury Department. Offenses by postal employees are not the kind referred to by the Senator. However, the language is much too sweeping and puts full control of all investigations in the hands of the Federal Bureau of Investigation.

It is considered that any investigation of irregularities of any kind by post office employees should be the exclusive function of the post-office inspectors. If the investigation of such employees is vested in an outside organization, many situations will arise where the sanctity of the mail may be violated because of the fact that it may be necessary to permit unauthorized persons to have access to the workroom floors. This would of itself almost completely reverse a policy which has been in effect since the establishment of the postal service.

It is the view of the Post Office Department that the intent of the legislation could be best and more safely affected by the enactment of section 2 of S. 2308. Otherwise, this Department is opposed to the enactment of the measure.

Due to the urgency of your request this report has not been cleared through the Bureau of the Budget.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

The above letter was supplemented on July 23, 1954, as follows:

JULY 23, 1954.

Hon. CHAUNCEY W. REED,
Chairman, Committee on the Judiciary,
House of Representatives.

DEAR MR. CHAIRMAN: The Post Office Department will not oppose the enactment and urges a favorable report on S. 2308, a bill to authorize and direct the investigation by the Attorney General of certain offenses, providing the attached language is included in the bill.

Sincerely yours,

ABE MCGREGOR GOFF, *The Solicitor.*

S. 2308—TO AUTHORIZE AND DIRECT THE INVESTIGATION BY THE ATTORNEY GENERAL OF CERTAIN OFFENSES, AND FOR OTHER PURPOSES

At the end of the first section, add the following:

"The provisions of this section shall not limit, in any way, the primary authority of the Postmaster General to investigate postal offenses."

The committee believes that this legislation resolves the jurisdictional conflict which has arisen in the past between various agencies. The committee therefore recommends favorable consideration of the bill (S. 2308) as amended.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the House of Representatives, there is printed below in roman existing law in which no change is proposed by enactment of the bill here reported, new language is printed in italic:

TITLE 18, UNITED STATES CODE

SECTION 3056. SECRET SERVICE POWERS

Subject to the direction of the Secretary of the Treasury, the United States Secret Service, Treasury Department, is authorized to protect the person of the President of the United States and members of his immediate family, the President elect, and the Vice President at his request; detect and arrest any person committing any offense against the laws of the United States relating to coins, obligations, and securities of the United States and of foreign governments; detect and arrest any person violating any of the provisions of sections 508 and 509 of this title and, insofar as the Federal Deposit Insurance Corporation, Federal land banks, joint-stock land banks and national farm loan associations are concerned, of sections 218, 221, 433, 493, 657, 709, 1006, 1007, 1011, 1013, 1014, 1907, and 1909 of this title; [detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department;] execute warrants issued under the authority of the United States; carry firearms; offer and pay rewards for services or information looking toward the apprehension of criminals; and perform such other functions and duties as are authorized by law. As amended July 16, 1951, ch. 226, sec. 4, 65 Stat. 122.

○

Union Calendar No. 899

83D CONGRESS
2D SESSION

S. 2308

[Report No. 2622]

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 1954
Referred to the Committee on the Judiciary

AUGUST 4, 1954
Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

AN ACT

To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code ~~(including without limitation bribery or attempted bribery, extortion or conspiracy, embezzlement, fraud against the Government, or other crimes against the~~

~~United States)~~, involving Government officers and employees. Any information, allegation, or complaint received in any department or agency of the executive branch of the Government relating to said violations involving Government officers and employees shall be expeditiously reported to the Attorney General by the head of such department or agency, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law, or unless the Attorney General otherwise directs with respect, as to any department or agency of the Government, to any specified class of information, allegation, or complaint: *Provided, That the provisions of this section shall not apply to any person or offense over which the Armed Forces have exclusive jurisdiction under the Uniform Code of Military Justice except as hereafter expressly agreed by regulations between the Secretary of Defense and the Attorney General: Provided further, That the provisions of this section shall not limit, in any way, the primary authority of the Postmaster General to investigate postal offenses.*

SEC. 2. Section 3056 of title 18, United States Code, is amended by striking out the following: "detect and arrest any person violating any laws of the United States directly

concerning official matters administered by and under the direct control of the Treasury Department;".

Passed the Senate April 5, 1954.

Attest: J. MARK TRICE,

Secretary.

Union Calendar No. 899

83D CONGRESS
2D SESSION

S. 2308

[Report No. 2622]

AN ACT

To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

APRIL 6, 1954
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authorizing the transfer of personnel and appropriations to defense activities of various departments and agencies pursuant to law, regarding rental of Government-owned living quarters. Contains language, similar to that in previous years, prohibiting the use of funds of corporations for purchase of construction of office buildings, and authorizing the use of appropriated funds to purchase foreign credits owed to or owned by the U. S.

3. PERSONNEL. Received the conference report on H. R. 2263, the so-called fringe-benefits bill (H. Rept. 2665)(pp. 13893-901). The text of the bill, as agreed to by the conferees, is printed in the Record.

4. ATOMIC ENERGY. Redeived the revised conference report on H. R. 9757, to make various changes in the Atomic Energy Act (H. Rept. 2666)(pp. 13873-88). The revised bill is printed in the Record.

5. VEHICLES; FURNITURE. Concurred in the Senate amendments to H. R. 8753, to authorize GSA to establish and operate motor vehicle pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct GSA to report the unauthorized use of Government motor vehicles, and to authorize CSC to regulate operators of Government-owned motor vehicles (p. 13824). This bill will now be sent to the President.

6. DEBT LIMIT. By a division vote of 193 to 31, concurred in the Senate amendment to H. R. 6672, increasing the debt limit of the Government. The amendment provides for a temporary increase of $6 billion until June 30, 1955. (pp. 13824-8). This bill will now be sent to the President.

7. CUSTOMS SIMPLIFICATION. Concurred in the Senate amendments to H. R. 10009, to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, and to repeal or amend obsolete provisions of the customs laws (pp. 13822-4). This bill will now be sent to the President.

8. FOREIGN AID; SURPLUS COMMODITIES. House conferees were appointed on H. R. 9924, to provide for family housing for military personnel and their dependents, to authorize the Secretary of Defense to procure such housing for military personnel in foreign countries through the use of foreign currencies obtained through sale of surplus agricultural commodities, and to make Defense Department appropriations available to reimburse CCC in an amount equivalent to the dollar value of the currencies used (p. 13829). Senate conferees have not yet been appointed.

9. SOCIAL SECURITY; FARM LABOR. House conferees were appointed on H. R. 9366, the social security bill, which includes a provision extending social security retirement coverage to approximately 2.6 million additional farm workers (p. 13826). Senate conferees have been appointed.

10. FOREIGN-AID APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 10051 (p. 13821). Senate conferees have been appointed.

11. EDUCATION. Passed without amendment S. 3629, to amend Public Law 874, 81st Cong., so as to postpone the effective date of the 3 percent "absorption" requirement of school districts in areas affected by Federal activities for 1 additional year (through June 30, 1955). This bill will now be sent to the President.

Passed with amendment S. 3268, to amend Public Law 815, 81st Cong., so as to extend for 3 additional years the program of Federal assistance for school construction under title III thereof (p. 13857).

12. PERSONNEL; RETIREMENT. Passed with amendment S. 3627, to amend the Civil Service Retirement Act so as to tighten up several "loopholes" (pp. 13828-9).

13. FARM LABOR. The Judiciary Committee reported without amendment S. 2862, to provide relief for the sheep-raising industry by making special nonquota immigration visas available to certain skilled alien sheepherders (H. Rept. 2662) (p. 13902).

14. INVESTIGATIONS; PERSONNEL. Passed with amendments S. 2308, to give the Attorney General concurrent jurisdiction over investigation of violations of title 18 of the U. S. Code (regarding crimes) by Government officers and employees, except for members of the armed forces and the Post Office Department (pp. 13859-60).

15. CONVENING OF CONGRESS. Passed without amendment H. J. Res. 585, to provide that the 84th Congress shall convene at noon on Wed., Jan. 5, 1955 (p. 13858).

SENATE

16. FARM LOANS. Concurred in the House amendment to S. 3245, to authorize the Secretary to use $15,000,000 of the Disaster Loan Revolving Fund for emergency loans to farmers and stockmen until June 30, 1955 (p. 13942). This bill will now be sent to the President.

17. RECLAMATION. Discussed and passed over, upon the objection of Sen. Smathers, H. R. 5301, to authorize the Interior Department to make loans to privately owned reclamation projects (pp. 13926-7).

Discussed and passed over, upon the objection of Sen. Smathers, H. R. 9981 to provide for construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (p. 13928).

Sen. Watkins stated "there is an extreme need for facts to clarify much of the confusion which has resulted from misinformation spread about the upper Colo. River project" and inserted George D. Clyde's (commissioner of interstate streams for Utah) article which discussed the issues (pp. 13909-10).

18. ATOMIC ENERGY. Agreed, 59 to 17, to the revised conference report on H. R. 9757, the atomic energy bill (pp. 13982-5).

19. PERSONNEL. Passed without amendment H. R. 5718, to limit to 6 years the period for collection by the Government of compensation received by officers and employees in violation of the dual compensation laws (p. 13928). This bill will now be sent to the President.

20. TAXATION. Sen. Ferguson inserted the President's statement made upon the signing of H. R. 8300, the general tax revision bill (pp. 13937-42).

21. SOIL CONSERVATION. Sen. Watkins inserted a newspaper editorial and stated that the "role that can be played by the Federal Government in cooperating in watershed improvement program under the Hope-Aiken measure is adequately shown" in this editorial (pp. 13910-1).

M. M. HESS

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7762) for the relief of M. M. Hess, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Line 8, strike out all after "claim" down to and including "$1,000" in line 16 and insert:

"SEC. 2. No part of any credit or refund that may be allowed by reason of the enactment of this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with obtaining such credit or refund, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

AUTHORIZING AND DIRECTING INVESTIGATION BY ATTORNEY GENERAL INTO CERTAIN OFFENSES

Mr. GRAHAM. Mr. Speaker, I ask unanimoust consent to take from the Speaker's desk the bill (S. 2308) to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. CELLER. Mr. Speaker, reserving the right to object, may we have an explanation of this bill?

Mr. GRAHAM. Mr. Speaker, this bill gives the FBI concurrent jurisdiction over violations of title 18 of the United States Code by Government officers and employees with other governmental agencies. It was thoroughly discussed and was passed by the Committee on the Judiciary and is now offered for the consideration of the House.

Mr. CELLER. Do I understand the gentleman from Pennsylvania to say that the Post Office is included in the departments which may be investigated by the FBI? Is not the gentleman mistaken about that? Was not the Post Office excluded from the operation of the act?

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. KEATING. There is a provision written in in the form of an amendment that this bill shall not limit in any way the primary authority of the Postmaster General to investigate postal offenses, but it does permit the FBI to, one might say, parallel the action of the Postmaster General in his own department.

Mr. CELLER. That language is very vague: And is there not also an exception with reference to the Department of Defense?

Mr. KEATING. Yes, there is a provision with reference to the Department of Defense that this bill shall not, in any way, interfere with the jurisdiction which the Department of Defense has under the Uniform Code of Military Justice. That is with reference to Army personnel, for instance. They would not want the FBI to handle investigations with reference to them, so long as they were being prosecuted under the regular Code of Military Justice.

Mr. CELLER. Does that mean the Department of Defense could determine for itself what should be their exclusive jurisdiction, and thereby exclude the FBI from operating in the Department of Defense? You see, this bill is replete with considerable ambiguity. I wonder whether or not a bill of this character, so sweeping, should be considered by unanimous consent. This gives the FBI inordinate powers to go into any branch of the Government. While I am of the opinion in general that the FBI should have the right to ferret out crime wherever it exists, heretofore it never has had such power. It never had such power because each department was jealous of its prerogatives and did not want the FBI or Department of Justice poaching on its preserves. The various departments, presided over by Cabinet officials, can now make their own investigations. Here you have the Department of Justice given carte blanche to go into any department of the Government. You have the Postmaster General coming in to the Judiciary Committee and complaining about that widespread jurisdiction. He says he should be exempt. The Department of Defense say they should be exempt. What about the other branches of Government?

Mr. GRAHAM. The committee amendments take care of what the gentleman is discussing. It does not disturb the jurisdiction of these various departments. The FBI, after they have finished their investigations, can step in.

Mr. CELLER. I beg to differ with the gentleman. I feel the interpretation placed upon the words by the gentleman, which may be in disagreement with my interpretation, is the wrong interpretation.

Mr. GRAHAM. All departments have agreed to this. Every one of them.

Mr. CELLER. That may be—well, have they all agreed?

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. CELLER. I yield to the gentleman.

Mr. HALLECK. My understanding is that as the bill has been amended it meets with the approval of the various departments of the Government. I appreciate the gentleman's reservation and the questions he has raised. I might say to him that this is a measure that many feel should be passed. It has been the subject of rather vigorous editorials in one of the newspapers just today. I think there is a general agreement that the legislation should be passed. Of course, whatever is done with respect to the amendments will go to conference. This procedure will simply eliminate the necessity of suspending the rules with a motion to pass the bill.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. BROOKS of Louisiana. In what respect will this bill amend the uniform code of military justice.

Mr. GRAHAM. It does not amend it in any way.

Mr. BROOKS of Louisiana. It does give jurisdiction to the FBI for the investigation of purely military offenses?

Mr. GRAHAM. May I suggest to the gentleman that he wait until the amendments are read, and they will clear up the whole matter.

Mr. BROOKS of Louisiana. Then may I suggest it will be too late to ask these questions. Would this give to the FBI authority to investigate the offense of AWOL, for instance?

Mr. GRAHAM. No, no.

Mr. BROOKS of Louisiana. It would not interfere in any way with court-martial proceedings?

Mr. GRAHAM. No.

Mr. CELLER. Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, reserving the right to object, what is the FBI going to do in the Post Office Department? What is there that the Post Office Department cannot handle with respect to investigations of its own?

Mr. GRAHAM. We do not disturb that in any way. All the various departments have made their investigations, and they will continue to do so. After they have made their investigations, and they need further investigation, the FBI can step in. It does not disturb the present situation at all.

Mr. GROSS. What is there that the present inspection division of the Post Office Department cannot do today?

Mr. GRAHAM. Nothing.

Mr. GROSS. Then why bring in the FBI?

Mr. GRAHAM. Because the FBI has jurisdiction over all these departments, or should have, inasmuch as if the investigation by the Department would fail to clear up something, then the FBI can step in.

Mr. GROSS. I am not necessarily opposed to this bill, but I want to be informed as to what is proposed.

Mr. REED of Illinois. At the request of the Department.

Mr. CRUMPACKER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CRUMPACKER. I would like to say only that the thought is that the investigating agencies in each Department, such as in the inspection service of the Post Office Department, is not apt to investigate its top men such as the Postmaster General or his immediate staff; they are not apt to be investigated by their own investigative agencies. The idea here is to put the FBI in position where they can check on some of these officials who are not apt to be investigated.

Mr. GROSS. I appreciate that expression of the gentleman from Indiana.

Now we are beginning to get somewhere, but I had not understood that there was any particular scandal in the inspection service of the Post Office Department necessitating use of the FBI or any other investigative agency.

Mr. CRUMPACKER. There is none.

Mr. GROSS. Then I cannot understand why the Post Office Department should be included.

Mr. KEATING. I think this may help to clear it up in the gentleman's mind. This bill is general in its application to all Government departments. The Postmaster General came in and asked that this amendment with reference to his Department be written into the bill, which states that the provisions of this section shall not in any way interfere with the primary authority of the Postmaster General to investigate postal offenses. It means, therefore, that he will continue as he is doing now to have primary authority and would only call upon the FBI to come in, in a case where he thought it would be helpful to have them there.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code (including without limitation bribery or attempted bribery, extortion or conspiracy, embezzlement, fraud against the Government, or other crimes against the United States), involving Government officers and employees. Any information, allegation, or complaint received in any department or agency of the executive branch of the Government relating to said violations involving Government officers and employees shall be expeditiously reported to the Attorney General by the head of such department or agency, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law, or unless the Attorney General otherwise directs with respect, as to any department or agency of the Government, to any specified class of information, allegation, or complaint.

SEC. 2. Section 3056 of title 18, United States Code, is amended by striking out the following: "detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department;".

With the following committee amendment:

Page 1, line 9, after the word "Code", strike out "(including without limitation bribery or attempted bribery, extortion or conspiracy, embezzlement, fraud against the Government, or other crimes against the"; and page 2, line 1, strike out "United States."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 2, line 12, after "complaint", insert the following: "*Provided,* That the provisions of this section shall not apply to any person or offense over which the Armed Forces have exclusive jurisdiction under the Uniform Code of Military Justice except as hereafter expressly agreed by regulations between the Secretary of Defense and the Attorney General: *Provided further,* That the provisions of this section shall not limit, in any way, the primary authority of the Postmaster General to investigate postal offenses."

Mr. GRAHAM. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM to the committee amendment: On page 2, line 12, strike out the first proviso beginning on line 12 and ending on line 17, and substitute in lieu thereof the following: "The provisions of this section shall not limit, in any way, the existing authority of the military departments to investigate persons or offenses over which the Armed Forces have jurisdiction under the Uniform Code of Military Justice."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUNKER HILL DEVELOPMENT CORP.

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2930) conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon a claim of the Bunker Hill Development Corp.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the jurisdiction conferred upon the United States District Court for the Southern District of New York by subsection (b) of section 1346, title 28, United States Code, is hereby extended to a civil action, which may be commenced not later than 1 year after the date of the enactment of this act, asserting any claim or claims of Bunker Hill Development Corp., of Newburgh, N. Y., against the United States for alleged damages arising out of the construction of Stewart Field, a United States Air Force base located at Newburgh, N. Y., in such a manner as to allegedly damage its golf course and buildings as a result of weed-laden soil dust and cement dust blowing over its properties in 1942 and 1943, and to destroy a proposed housing development of said corporation, and for alleged damages to the property of said corporation by reason of the alleged failure of the Government to provide and maintain proper drainage from said Stewart Field, which resulted and successively results in the storm-flooding of the property of the corporation. Any such civil action may be joined for trial with any pending action between the Bunker Hill Development Corp. and the United States relative to damages in the construction of Stewart Field. Except as otherwise provided in this act, all provisions of law applicable in and to such subsection, and applicable to judgments therein and appeals therefrom, are made equally applicable in respect of the civil actions authorized by this act. Nothing in this act shall constitute an admission of liability on the part of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FARM BILL

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the committee of conference on the bill (H. R. 9680) may have until midnight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2664)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9680) to provide for the continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in agriculture; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I—SET ASIDE OF AGRICULTURAL COMMODITIES

"SEC. 101. The Commodity Credit Corporation shall, as rapidly as the Secretary of Agriculture shall determine to be practicable, set aside within its inventories not more than the following maximum quantities and not less than the following minimum quantities of agricultural commodities or products thereof heretofore or hereafter acquired by it from 1954 and prior years' crops and production in connection with its price support operations:

"Commodity	Maximum quantity	Minimum quantity
Wheat (bushels)	500,000,000	400,000,000
Upland cotton (bales)	4,000,000	3,000,000
Cottonseed oil (pounds)	500,000,000	0
Butter (pounds)	200,000,000	0
Nonfat dry milk solids (pounds)	300,000,000	0
Cheese (pounds)	150,000,000	0

"Such quantities shall be known as the 'commodity set-aside'.

"SEC. 102. Quantities of commodities shall not be included in the commodity set-aside which have an aggregate value in excess of $2,500,000,000. The value of the commodities placed in the commodity set-aside, for the purpose of this section, shall be the Corporation's investment in such commodities as of the date they are included in the commodity set-aside, as determined by the Secretary.

"SEC. 103. (a) Such commodity set-aside shall be reduced by disposals made in accordance with the directions of the President as follows:

"(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954;

"(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the

SENATE

11. FLOOD CONTROL. Passed, 77 to 2, with amendments H. R. 9859, the omnibus flood control bill, which authorizes $20,000,000 additional to this Department for work on watersheds. Senate conferees were appointed. (pp. 14118-37.)

12. FOREIGN AID; SURPLUS COMMODITIES. Agreed to the conference report on H. R. 9924 (see item 4 above) (pp. 14076, 14138-9).

13. PERSONNEL. Agreed to the conference report on H. R. 2263, the fringe-benefits personnel bill (p. 14138).

Passed with amendments H. R. 9709, to extend and improve the unemployment compensation program, which includes a provision extending it to approximately 2.5 million Federal employees (pp. 14144-7).

Passed with amendment H. R. 9909, to prohibit payment of Government retirement benefits to persons convicted of certain offenses (pp. 14148-52). Agreed to a Williams amendment extending from 3 to 5 years the statute of limitations on certain crimes (pp. 14149-52).

Sen. Knowland submitted amendments he intends to propose to H. R. 7774, to establish a uniform system of granting incentive awards to Federal employees (p. 14076).

14. COMMODITY CREDIT CORPORATION. The amendment by Sen. Holland (see Digest 157) to H. R. 9756, to increase the borrowing power of CCC from $8.5 billion to $10 billion, would include mangoes in the provision which would prohibit imports of certain commodities that do not comply with USDA marketing orders. The amendment also would make this provision effective upon the enactment of H. R. 9756 or the Agricultural Act of 1954, whichever occurs later.

15. NOMINATION. Received the nomination of Herbert Hoover, Jr., to be Under Secretary of State (p. 14170).

16. INVESTIGATIONS; PERSONNEL. Concurred in the House amendments to S. 2308, to give the Attorney General concurrent jurisdiction over investigation of violations of title 18 of the U. S. Code (regarding crimes) by Government officers and employees, except for members of the armed forces and the Post Office Department (p. 14139). This bill will now be sent to the President.

17. CONVENING OF CONGRESS. Passed without amendment H. J. Res. 585, to provide that the 84th Congress shall convene at noon on Wed., Jan. 5, 1955 (p. 14097). This measure will now be sent to the President.

18. COMPTROLLER GENERAL. Passed without amendment S. 3868, to authorize the payment of salary to any individual given recess appointment as Comptroller General of the U. S. before the beginning of the 84th Cong. (pp. 14080-1).

19. LEGISLATIVE PROGRAM. H. R. 9756, increasing the borrowing power of CCC from $8.5 billion to $10 billion, was made the unfinished business (p. 14152). The "Daily Digest" states that there will be a call of the calendar and consideration of various conference reports during Wed. (p. D996).

ITEMS IN APPENDIX

20. FARM PROGRAM. Rep. Hunter inserted his summary of the accomplishments of this Congress and the administration in the field of agriculture and related

matters (pp. A6081-6).

Sen. Beall inserted a Baltimore Sun editorial, "An Investment Pays Off," commending the President for the progress of his legislative program and stating that his program, "designed to bring more resiliency into the whole structure of farm supports, was argued before the true farmers of the country as if he and Secretary Benson had never heard of the political farmers" (p. A6098).

Sen. Thye inserted a St. Paul Pioneer Press article, "Benson Strategy," discussing passage of the farm bill and stating that "the result is being widely hailed as a personal triumph for Secretary Benson" (p. A6099).

21. MARKETING. Rep. Church inserted a Federal Reserve Bank (Chicago) agricultural letter discussing rising marketing costs and the share of the farmers and the middlemen (pp. A6087-8).

Rep. Hill inserted his recent address before the Annual Convention of the Independent Grocers Alliance discussing the problems of marketing, food distribution, and "the battle against waste of fruit and vegetables" (pp. A6092-3).

22. TAXATION. Extension of remarks of Reps. Knox and Berry giving some of the highlights of the new tax law (pp. A6088-90, A6129-30).

23. DROUGHT RELIEF. Extension of remarks of Rep. Moulder criticizing the administration of the drought relief program and inserting a Daily Democrat-Leader (Fayette, Mo.) article stating that "we say it is a rotten deal and not worth the price of the airplane tickets Washington spent to send men out here to decide which class of farmer they would try to help" (p. A6101).

Rep. Hill inserted a statement explaining assistance available under the drought-relief program (pp. A6118-9).

24. FOREIGN TRADE. Rep. Bailey inserted O. R. Strackbein's (chairman of the Nation-wide Committee of Industry, Agriculture, and Labor on Import Policy) statement discussing to what "extent imports may be injurious, a matter of indifference or even helpful" (pp. A6106-8).

25. FARM LABOR. Rep. Rooney inserted a Nat'l Catholic Weekly Review America commenting on the Mexican "wetback" problem (p. A6109).

26. PRICE SUPPORTS. Sen. Thye inserted a Washington Post and Times Herald editorial and his letter in response to the editorial which he said "clearly and unmistakably" impugn the motives of those Members of the Senate who opposed changing the level of farm price supports (pp. A6119-20).

BILLS INTRODUCED

27. PERSONNEL; HOLIDAYS. S. Con. Res. 105, by Sen. Johnston (introduced Aug. 13), to excuse Government employees from work on the afternoon of Aug. 31, 1954, to attend the parade of The American Legion in D. C.; to Post Office and Civil Service Committee.

28. FARM LOANS. S. 3877, by Sen. Gillette, to accelerate establishment of comprehensive soil- and water-conserving works on private and public property through provision of appropriate credit for conservation, reforestation, and water-control work; to Agriculture and Forestry Committee (p. 14075). Remarks of author (pp. 14075-6).

expand this authority, the subject of reimbursing the Commodity Credit Corporation for commodities used in generating foreign currencies can be reexamined at that time.

I should like to say that the Senate conferees are no less desirous than their counterparts in the House that the Commodity Credit Corporation shall not be unfairly charged with the cost of military housing. I believe that the language agreed to by the conferees is a satisfactory solution of the problem of Commodity Credit Corporation reimbursement, at least for the authority contained in this act, and I move the adoption of the conference report.

Mr. CASE. Mr. President, I move the adoption of the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

INVESTIGATION OF CERTAIN OFFENSES BY ATTORNEY GENERAL

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2308) to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes, which were, on page 1, line 9, strike out all after "Code", over through "States)" in line 1, page 2, and on page 2, line 12, after "complaint", insert "*Provided,* That, the provisions of this section shall not limit, in any way, the existing authority of the military departments to investigate persons or offenses over which the Armed Forces have jurisdiction under the Uniform Code of Military Justice: *Provided further*, That the provisions of this section shall not limit, in any way, the primary authority of the Postmaster General to investigate postal offenses."

Mr. WILLIAMS. Mr. President, this bill was amended by the House of Representatives in order to take care of a question raised by the Department of the Army in order to safeguard its right to have certain investigations made in the Defense Department. The amendment has been cleared with the Department of Justice, and is in complete agreement with the spirit of the bill, as introduced.

Mr. President, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

EXTENSION AND AMENDMENT OF RENEGOTIATION ACT OF 1951

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 644, House bill 6287, to extend and amend the Renegotiation Act of 1951.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6287) to extend and amend the Renegotiation Act of 1951.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6287) to extend and amend the Renegotiation Act of 1951, which had been reported from the Committee on Finance with amendments, and on which additional amendments had been reported by the Finance Committee on May 18, 1954.

Mr. JOHNSON of Texas. Mr. President, I submit and send to the desk, on behalf of the majority leader and myself, a proposed unanimous-consent agreement regarding the time available for the consideration of this bill and the amendments thereto.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The legislative clerk read as follows:

Ordered, That during the further consideration of Calendar No. 644, House bill 6287, an act to extend and amend the Renogoiaation Act of 1951, debate on any amendment or motion (including appeals) shall be limited to not exceeding one-half hour, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the Senator from Colorado [Mr. MILLIKIN] in the event he is opposed to any such amendment or motion; otherwise, by the mover and the minority leader: *Provided,* That no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further,* That debate upon the bill itself shall be limited to not exceeding one hour, to be equally divided and controlled, respectively, by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Texas [Mr. JOHNSON].

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? Without objection, it is agreed to.

The Chair recognizes the Senator from Colorado. Will the Senator from Colorado state how much time he desires to yield?

Mr. MILLIKIN. I shall now present my opening statement. We have not reached the question of amendments. What time have I?

The PRESIDING OFFICER. There is a time limit on the bill.

Mr. MILLIKIN. I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator may have whatever time he wishes.

Mr. MILLIKIN. On May 19, 1954, the Committee on Finance reported additional amendments to the bill (H. R. 6287) to extend and amend the Renegotiation Act of 1951. I move that the previous committee amendments and the additional amendments be agreed to en bloc and made a part of the bill, as though it were a clean copy, and that the bill then be subject to further amendment.

The PRESIDING OFFICER. Without objection, the committee amendments will be agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

On page 1, after line 5, to insert:

"SEC. 2. (a) Section 105 (f) (1) of such act is amended by striking out '$250,000' wherever it appears therein and inserting in lieu thereof the following: '$250,000, in the case of a fiscal year ending before June 30, 1953, or $500,000 in the case of a fiscal year ending on or after June 30, 1953.'

"(b) Section 105 (f) (3) of such act is amended by inserting in the second sentence thereof, after 'the $250,000 amount' the following: ', the $500,000 amount,'."

On page 2, line 3, to change the section number from "2" to "3"; in line 24, to change the section number from "3" to "4."

On page 3, after line 14, to strike out:

"SEC. 4. Section 106 (d) of such act is hereby amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon, and by inserting after paragraph (5) the following new paragraph:

"'(6) any contract or subcontract for the making or furnishing of a standard commercial article, if, in the opinion of the Board, competitive conditions affecting the sale of such article are such as will reasonably protect the Government against excessive prices.'"

And insert:

"SEC. 5. (a) Section 106 (a) of such act is hereby amended by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon, and by inserting after paragraph (7) the following new paragraph:

"'(8) any contract or subcontract for the making or furnishing of a standard commercial article, unless the Board makes a specific finding that competitive conditions affecting the sale of such article are such as will not reasonably protect the Government from excessive prices. For the purpose of this paragraph—

"'(A) The term "article" includes any material, part, assembly, machinery, equipment, or other personal property; and

"'(B) The term "standard commercial article" means an article—

"'(1) which is substantially identical in every material respect with an article which was manufactured and sold, and in general civilian, industrial, or commercial use, prior to June 1, 1950, or

"'(2) which is substantially identical in every material respect with an article which is manufactured and sold, as a competitive product, by more than one manufacturer, or which is an article of the same kind and having the same use or uses as an article manufactured and sold, as a competitive product, by more than one manufacturer, or

"'(3) which is the subject of any prime contract entered into pursuant to competitive bidding.

An article made in whole or in part of substitute materials but otherwise identical in every material respect with the article with which it is compared under clause (1) or (2) shall be considered as identical in every material respect with such article with which it is so compared.'

"(b) The amendment made by this section shall apply only with respect to fiscal years (as defined in section 103 (h) of the Renegotiation Act of 1951) ending on or after June 30, 1953."

On page 5, line 13, to change the section number from "5" to "6."

The additional amendments reported by Mr. MILLIKIN, from the Committee on Finance on May 19, 1954, and agreed to en bloc, are as follows:

On page 3, after line 2, insert the following:

"(b) Paragraph (1) of section 106 (c) of such act is further amended by inserting '(A)' after the word 'except' and by adding before the period at the end of such paragraph the following: 'and (B) to receipts and accruals from contracts for new durable productive equipment in cases in which the Board finds that the new durable productive equipment covered by such contracts cannot be adapted, converted, or retooled for commercial use'."

On page 3, line 3, strike out "(b)" and insert "(c)."

On page 3, line 11, strike out "(c)" and insert "(d)."

On page 3, lines 11 and 12, strike out "subsections (a) and (b)" and insert "subsections (a), (b), and (c)."

Beginning on page 3, line 24, strike out all through line 12 on page 5 and insert the following:

"SEC. 5. (a) Section 106 (a) of such act is hereby amended—

"(1) by striking out, in paragraph (7), 'by reason of this subsection.' and inserting in lieu thereof 'by reason of any paragraph, other than paragraph (8), of this subsection; or'; and

"(2) by adding at the end of such section the following:

"'(8) any contract or subcontract for the making or furnishing of a standard commercial article, unless the Board makes a specific finding that competitive conditions affecting the sale of such article are such as will not reasonably prevent excessive profits. This paragraph shall apply to any such contract or subcontract only if (1) the contractor or subcontractor files, at such time and in such form and detail as the Board shall by regulations prescribe, such information and data as may be required by the Board under its regulations for the purpose of enabling it to reach a decision with respect to the making of a specific finding under this paragraph, and (2) within a period of 6 months after the date of filing of such information and data, the Board fails to make a specific finding that competitive conditions affecting the sale of such article are such as will not reasonably prevent excessive profits, or (3) within such 6-month period, the Board makes a specific finding that competitive conditions affecting the sale of such article are such as will reasonably prevent excessive profits. Any contractor or subcontractor may waive the exemption provided in this paragraph with respect to receipts or accruals in any fiscal year by including a statement to such effect in the financial statement filed by such contractor or subcontractor for such fiscal year pursuant to section 105 (e) (1). Any specific finding of the Board under this paragraph shall not be reviewed or redetermined by any court or agency other than by the Tax Court of the United States in a proceeding for a redetermination of the amount of excessive profits determined by an order of the Board. For the purpose of this paragraph—

"'(A) the term "article" includes any material, part, component, assembly, machinery, equipment, or other personal property;

"'(B) the term "standard commercial article" means an article—

"'(1) which, in the normal course of business, is customarily manufactured for stock, and is customarily maintained in stock by the manufacturer or any dealer, distributor, or other commercial agency for the marketing of such article; or

"'(2) which is manufactured and sold by more than two persons for general civilian industrial or commercial use, or which is identical in every material respect with an article so manufactured and sold;

"'(C) the term "identical in every material respect" means of the same kind, manufactured of the same or substitute materials, and having the same industrial or commercial use or uses, without necessarily being of identical specifications; and

"'(D) the term "persons" does not include any person under control of, or controlling, or under common control with any other person considered for the purposes of subparagraph (B) (2) of this paragraph.'

"(b) The amendments made by subsection (a) shall apply to contracts with the Departments and subcontracts only to the extent of the amounts received or accrued by a contractor or subcontractor after December 31, 1953."

On page 5, after line 12, insert the following new section:

"SEC. 6. (a) Section 106 (a) (4) of such act is hereby amended by striking out '; or' at the end thereof and inserting the following: 'and to such furnishing or sale in any case in which the Board finds the regulatory aspects of rates for such furnishing or sale, or the type and nature of the contract for such furnishing or sale, are such as to indicate, in the opinion of the Board, that excessive profits are improbable; or.'

"(b) The amendment made by subsection (a) shall apply only with respect to fiscal years (as defined in sec. 103 (h) of the Renegotiation Act of 1951) ending on or after December 31, 1953."

On page 5, after line 12, insert the following new section:

"SEC. 7. (a) Section 105 (d) of such act is hereby amended by striking out the period at the end of the last sentence thereof and inserting the following: ', and shall also have the power to set aside and declare null and void any such agreement if, upon a request made to the Board within 3 years from the date of such agreement, the Board finds as a fact that the aggregate of the amounts received or accrued by the other party to such agreement during the fiscal year covered by such agreement was not more than the minimum amounts subject to renegotiation specified in section 105 (f) for such fiscal year.'

"(b) The amendment made by subsection (a) shall be effective as if it were a part of the Renegotiation Act of 1951 on the date of its enactment."

On page 5, strike out lines 13 through 15 and insert the following:

"SEC. 8. Section 201 (h) of such act is hereby amended by striking out '2 years' and inserting in lieu thereof '4 years', and by adding at the end thereof the following new sentence: 'If any such case has been dismissed by any court for failure to substitute for the War Contracts Price Adjustment Board prior to the effective date of this sentence, such case is hereby revived and reinstated in such court as if it had not been dismissed.'"

The PRESIDING OFFICER. The bill as now amended is open to further amendment.

Mr. MILLIKIN. This bill was discussed by me in the Senate on July 29, 1953, but was withdrawn pending further study by the committee. Your committee, after hearing the full Renegotiation Board, has reported certain additional amendments. Because of the lapse of time since the matter was before the Senate, my discussion is intended to cover a detailed explanation of the bill in its entirety.

Section 1 of the bill extends the renegotiation authority for 1 year, to December 31, 1954. Unless the Renegotiation Act is extended, amounts received or accrued by defense contractors and subcontractors during 1954 will not be subject to renegotiation and the Government will not be adequately protected against payment of excessive prices in the execution of the national defense program. Under the bill renegotiation will not be applicable to receipts or accruals attributable to performance after December 31, 1954.

Section 2 of the bill is the same as that contained in the bill reported by our committee last year. This section raises the minimum amount subject to renegotiation from $250,000 to $500,000 with respect to fiscal years ending on and after June 30, 1953. This amendment has the approval of the Board, since it will permit the Board to concentrate on the larger cases, and therefore facilitate administration of the act. The number of filings has been about 40,000 for each of the calendar years 1951 and 1952. Filings for 1953, normally due on April 1, 1954, were postponed by the Board due to pending legislation.

Section 3 of the bill remains unchanged. This section amends section 106 (a) (6) of the act, relating to mandatory exemptions. The amendment makes it clear that there should be exempt from renegotiation contracts with the Reconstruction Finance Corporation for materials and services to be used in the manufacture and sale of synthetic rubber to the extent that such materials or services are required for the manufacture of synthetic rubber for sale thereof to a private person or private persons for nondefense purposes. The Board concurs in the desirability of this provision and has already caused a directive to be issued to that effect.

Section 4 of the bill relates to the relief provided for in section 106 (c) of the act for durable productive equipment. Under the existing law certain special relief was granted for new durable productive equipment with respect to subcontracts. The House bill extends this relief to contracts direct with the Government. For example, under the House bill, if the Government purchases for its own account a $100,000 machine tool having an estimated useful life of 20 years, the portion of the profits subject to renegotiation will be the proportion which 5 years bears to the estimated life, which is one-fourth. The committee amendment denies this relief in the case of contracts with the Government in cases where the Board finds that the new durable productive equipment covered by such contract cannot be adapted, converted, or retooled for commercial use. The Board has approved of this amendment.

Section 5 of the reported bill provided a mandatory exemption for standard commercial articles unless the Board made a specific finding that competitive conditions affecting the sale of such article were such as will not reasonably protect the Government from excessive prices. Your committee has reconsidered this amendment particularly because it was felt that the Board did not have a sufficient investigative staff to make such a determination in the first instance. Under the changed version, which the Board states is administratively feasible, it is required, first, that the specific finding be made as to "excessive profits" instead of "excessive prices"; second, that the contractor or subcontractor file information with the Board containing sufficient data to enable the Board to make such a finding; and third, that if within 6 months after the date such information is filed the Board does not make a specific finding that competitive conditions affecting the sale of such article are such as will not reasonably prevent excessive profits, the exemption will apply. Under the amendment the Board may make a specific

Public Law 725 - 83d Congress
Chapter 1143 - 2d Session
S. 2308

AN ACT

To authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, and without limiting the authority to investigate any matter which may have been or may hereafter be conferred upon them, or upon any other department or agency of the Government, the Attorney General and the Federal Bureau of Investigation shall have authority to investigate any violation of title 18, United States Code, involving Government officers and employees. Any information, allegation, or complaint received in any department or agency of the executive branch of the Government relating to said violations involving Government officers and employees shall be expeditiously reported to the Attorney General by the head of such department or agency, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law, or unless the Attorney General otherwise directs with respect, as to any department or agency of the Government, to any specified class of information, allegation, or complaint: *Provided*, That the provisions of this section shall not limit, in any way, the existing authority of the military departments to investigate persons or offenses over which the Armed Forces have jurisdiction under the Uniform Code of Military Justice: *Provided further*, That the provisions of this section shall not limit, in any way, the primary authority of the Postmaster General to investigate postal offenses.

Attorney General and FBI.
Authority to investigate certain offenses.
62 Stat. 683.
68 Stat. 998.
68 Stat. 999.
64 Stat. 107.
50 USC 551-741.

Sec. 2. Section 3056 of title 18, United States Code, is amended by striking out the following: "detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department;".

62 Stat. 818.

Approved August 31, 1954.

GPO 42139